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Latin America Report

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BRIEFS

MEXICAN OIL CONTRACTS WITH L.A.--Guatemala will be the eighth nation in Latin America to buy petroleum from Mexico. Beginning this year, 8,500 barrels a day will be sold to that country, amounting to 50 percent of Guatemala's total consumption. This information was released yesterday by PEMEX. It was reported that the supply contract is the fruit of conversations with that government, based on the San Jose Agreement signed by Mexico and Venezuela. That agreement stipulates that the types of crude to be sold are Istmo and Maya, and they will be sold at the prices prevailing on the market at the moment of shipment. To date, contracts for shipment have been signed with Nicaragua (7,500 barrels per day); Costa Rica (7,500); El Salvador (7,000); Honduras (6,000); Panama (12,000); Jamaica (13,000) and Guatemala (8,500). [Text] [Mexico City EXCELSIOR in Spanish 24 Jan 81 p 4-A] 8926

CSO: 3010

GASOLINE IMPORTS ALLEGED, DENIED

Lajous: Possible 1981 Imports

Mexico City EL SOL DE MEXICO in Spanish 29 Jan 81 pp 1-B, 4-B

[Text] Mexico, the fifth largest oil producer in the world, may be forced to import gasoline this year, stated a high-ranking government official, according to the correspondent of a foreign news agency.

The director of the Energy Program of the Secretariat of Industrial Patrimony and Development, Adrian Lajous Vargas, said in a seminar he gave in Mexico City that this year "marginal and temporary" gasoline imports may begin.

The news agency sent a cable containing that information to its headquarters in the United States.

It added that the Secretariat of Industrial Development, which supervises the state monopoly Mexican Petroleum (PEMEX), has envisioned in its national energy program possible shortfalls of gasoline production in Mexican refineries, so that growing domestic consumption would not be satisfied.

"There could come a time, temporarily, when PEMEX would be exporting fuel (kerosene) and liquefied petroleum gas, and in exchange, importing small quantities of gasoline until production capacity could be brought up," said the official.

Lajous Vargas added that the United States will receive no more than half of the 1.8 million barrels of crude that Mexico plans to export during the eighties. He went on to say that U.S. sales have almost reached that limit, so PEMEX is looking for new customers.

The official explained that by limiting exports to the United States, the energy program is attempting to ensure that Mexico does not become dependent on a single customer, while also guaranteeing that no country becomes excessively dependent on Mexican crude.

Mexico, which produces some 2.4 million barrels a day, is the fifth largest producer in the world, according to PEMEX.

Mexico's proven reserves of gas and crude oil amount to 60 billion barrels, the sixth highest in the world, added PEMEX. The official predicted that eventually reserves could reach 250 billion barrels.

PEMEX Denies Report

Mexico City EL DIA in Spanish 29 Jan 81 p 9

[Article by Laura Quintero]

[Text] Mexican Petroleum (PEMEX) asserted last night that the story put out by a news agency, claiming that Mexico will import gasoline on a marginal and temporary basis, is completely false. PEMEX' refining capacity is more than enough to cover domestic demand, it said.

It noted that the Cadereyta, Nuevo Leon refinery was recently expanded, increasing Mexico's refining capacity to 1.476 million barrels a day. This leaves a surplus that will probably allow for the sporadic exportation of gasoline and diesel this year.

The enterprise also indicated that there are plans to export liquefied gas and fuel oil this year, independently of existing crude and natural gas exports.

It was also pointed out that PEMEX now has the highest gasoline stocks in its history, amounting to 7.17 million barrels, compared to last year's 5.5 million. This means a positive difference of 1.67 million barrels of gasoline.

PEMEX plans to expand the refineries in Tula, Salina Cruz and Ciudad Madero in 1982 by building plants to refine 150,000 barrels a day each. This will enable it to meet national demand.

8926
CSO: 3010

BRIEFS

PEMEX PETROCHEMICALS PLAN--Guadalajara, Jalisco, 1 February--Over the next 5 years Mexican Petroleum (PEMEX) will invest 53 billion pesos to operate 157 industrial plants that will produce 23,480 tons of basic petrochemical products. PEMEX will earmark 10 percent of its hydrocarbon production for these uses. The coordinator of oxidation and chlorination projects of PEMEX' petrochemical development program, Alejandro Villalobos Hiriart, stated at the closing ceremonies of Plastic Week, which was celebrated in this city, that this investment is intended to promote the production of several refined petroleum products that are now imported at a high cost. He claimed that in 1980 basic petrochemical production amounted to 7.5 million pesos in 85 operation plants, where only 36 final products were turned out. This is not enough to cover national demand. He indicated that new sources of supplies for the industry will be sought, because at present PEMEX produces only ethylene, vinyl chloride, styrene, propylene and acronitrile. Products are required for the construction of homes, transportation, raw materials for the garment industry and other uses. [Text] [Mexico City EXCELSIOR in Spanish 2 Feb 81 p 36-A] 8926

CSO: 3010

U.S. INTEREST IN PACE OF ORINOCO DEVELOPMENT DISCUSSED

Caracas RESUMEN in Spanish 15 Feb 81 pp 24-26

[Article by former ambassador to the United States and petroleum expert Julio Sosa Rodriguez]

[Text] If we analyze the recent energy situation in the United States, we find that there has been a shortage for a period of nearly 30 years. This situation has been becoming alarmingly worse during the past 5 years, with the necessity of resorting to imports of approximately half of its oil requirements, which in turn account for about 50 percent of the total energy consumed in the country. This predicament is exacerbated further still by the fact that two thirds of these imports come from as politically unstable an area as the Middle East. In other words, a country which was an oil exporter until 1948 has become the leading importer in the world within just a few years.

This situation entails serious consequences for its security, particularly when one considers the source of the greatest volume of its oil supplies.

Let us now observe briefly how the United States reached this situation. Could it perhaps have been avoided? It is rather unlikely that it could have been avoided in its entirety, but it certainly could have been mitigated at least to a substantial extent.

On the one hand, in the domestic area, the implementation of the policies that prevailed until well into the 1970's did not encourage a proper rate of activity in the search for new energy sources. On the other hand, in the international realm, in view of the low production costs and large reserves in the Middle East, combined with the low prices at which oil was kept in the world by the multinational companies that controlled its development and trade, a wasteful and irresponsible consumption was encouraged, concurrently with the removal of incentives for the search in less bountiful areas. The price policy on the part of both the United States and some European countries which also controlled major oil interests consisted mainly of keeping the imported oil at the lowest possible price, at the expense of the weak producing countries, which had very little decisionmaking power in the matter prior to the 1970's. Therefore, one does not commit an exaggeration by stating that a sizable portion of the development of the industrial countries took place at the expense of the OPEC nations. Although, over the short term, this system benefited the developed countries, it was to be expected that such an unjust situation would not take long to reach its end, which in fact has happened. This was the origin of many of the difficulties that are being faced today.

During these past 30 years Venezuela, for its part, has been attempting, without much success, to finance a balanced development, using the progressive liquidation of its energy assets for this purpose. The trend toward increasingly lower prices after the last world war prompted the sale of increasingly larger volumes, with a slight unitary economic return to the country; while at the same time this served as another stimulus for uncontrolled consumption in the developed countries. Perhaps a partial ignorance of its energy resources caused the country to be late in its complete realization of the fundamental need to conserve, both physically and economically, such a valuable and unrenewable asset.

During the 1960's, which was the period of the greatest decline in prices and the greatest need to increase government funds as a result of the legitimate social aspirations of our population in its newly won democratic existence, the country sold increasingly larger volumes of production to meet those needs. Nevertheless, during this period an increasing awareness was gained of the urgent need to fight for fair prices, which would at least bear a certain relationship to the increased prices of the capital and intermediate goods that had to be imported by reason of development. There appeared at that time two systems for waging this battle: on the one hand, OPEC, in the worldwide area; and, on the other, the proposal of the so-called "hemispheric treatment" within the context of hemispheric relations, meaning basically with the United States. Both systems were mutually complemented. At the beginning of the 1960's, when the "mandatory import program" was already established in the United States, Venezuela proposed, on the basis of the theory of natural markets (inasmuch as over 60 percent of the hydrocarbon exports of the countries in the Western Hemisphere were sent to the hemisphere itself) that this "hemispheric treatment" be implemented, which would make it possible to protect the oil from the hemisphere from the excessive competition in production coming from areas with far lower costs and substantially larger reserves.

This policy would also have allowed for a gradual progress toward the establishment of a unit price for hydrocarbons on a worldwide scale, which would maintain a rate of increase determined by the rate of increase in the cost of a basket of goods coming from the industrialized countries and required for the development of the countries in the process thereof.

Unfortunately, the United States which, because it was the largest importer, was the one most called upon to implement this policy, had a deaf ear for our repeated suggestions in this regard. In view of this situation, in December 1970, at the meeting held by OPEC in Caracas, decisions were made leading to the establishment, by the OPEC member nations, of a system for control or prorating of production, which would eventually enable them to take joint action in the pursuit of more fair and reasonable prices. As a result of the Arab-Israeli war of October 1973, the Arab nations, as a means of political action, decided to establish an oil boycott against many of the consumer countries which they thought were aiding Israel in one way or another. In view of this situation, after many years of frustration, the OPEC countries, even those not participating in the boycott, decided, during the last quarter of 1973 and the first quarter of 1974, to make increases in oil prices that quadrupled them and marked the beginning of a new international era.

Now then, was it necessary for this to happen in such a manner?

If there had not been a holdback on prices for over 15 years would such a phenomenon have occurred? Probably not. But in any event this was a reality. Let us observe briefly what its result on the international community has been.

The sudden rise in prices, although it unquestionably contributed to the inflation that already existed, was certainly not what started this phenomenon which had already reached alarming proportions in the Western countries at the end of the 1960's. What the sudden rise in oil prices did cause was tremendously negative effects on the developing countries, both those benefiting from oil production and, to a greater extent, those which did not have that benefit.

The effect on the latter, although it is obvious, has served to make those countries, nearly all of which are producers of some raw material or other, see in OPEC's action, despite the propaganda against it from some developed countries, a possible receptiveness toward a new international economic balance that would put an end to the progressive deterioration in the terms of their commercial exchanges with the developed countries. Moreover, the negative effect on them has been eased partially by the assistance plans put into effect by the oil producing nations which have established different mechanisms for economic assistance. In the case of my country, the latter exceed 2 percent of its GDP, an assistance figure that has not been attained by any industrialized country. Furthermore, the latter, with the sole exception of Sweden, have not reached even 0.5 percent of their GDP in their aid, the amount established as a minimal goal in the Pearson Report prepared by the United Nations in 1959.

But what should be clearly stressed here at this meeting is the damage caused to the oil producing countries themselves by the failure of the developed international community to adopt, in time, the measures to correct the injustice or abuse in oil prices. If this phenomenon had not occurred thusly, if prices had maintained an upward rate decisive to our development, and as a result the incongruity or injustice had not required correction in a sudden manner, when the favorable political occasion arose, the producing countries would have been spared the serious economic distortions that have occurred.

The resultant excessive expenditure, the recycling inappropriate for our economies, and the ostensible, consumer-oriented growth increasingly dependent on the accelerated liquidation of a perishable asset needed by our future generations but highly coveted by all those in the world who have contributed decisively to its physical and economic squandering, have been a result of the aforementioned phenomenon.

But probably the greatest harm caused has been the effect of the phenomena that we have cited on the sociopolitical behavior of our societies, by giving rise to patterns and trends that are obviously negative and, unfortunately, difficult to correct once they have been established.

Within this complicated context, there must be assurance, on behalf of both sides, for equitable relations between our two countries, which differ in their degree of development, are apparently at odds regarding the most desirable pace for their reciprocal trade, unalike in their worldwide influence, and different in many aspects of their relative conceptions of life, but united by geographical and geopolitical realities, and by respect for an individualism that is compatible with

the interdependence which the common good requires. Now let us take a look at the energy consumption future of the United States. It is estimated that the interannual increase in oil requirements during the 20 years remaining until the end of the century could be cut about 1 percent; which, if this should prove to be so, would make a consumption rate of approximately 22 million barrels per day by the year 2000. Reliable sources estimate that, of these 22 million barrels, the imports could vary from a minimum that would remain at current levels, that is, about 10 million barrels per day, to a maximum of 14 million BPD. Which of the figures will prove correct will depend on the degree of technological success achieved in the growing contribution from unconventional energy sources. The minimal figure estimated for oil demand, that is, 10 million, entails success in meeting up to 20 percent of the energy requirements with these new sources.

Let us now briefly examine Venezuela's oil status. From a current production potential of 2.3 million BPD, it is estimated that the figure could reach 2.8 million in 1988, and remain at that rate until the century's end. This is on the assumption that, to counter the depletion of the current fields, in addition to the secondary and tertiary recovery work to be done, there is success by the year 2000 in creating a new potential of approximately 200,000 BPD in the areas adjacent to those currently in production, 500,000 BPD from the offshore areas and 1 million BPD from the heavy petroleum in the Orinoco Belt.

All this means a steady effort and an investment of appreciable size, on the order of $50-$70 billion at current prices, over a 20-year period. The significance of this effort to Venezuela is that it would represent the equivalent of 15-20 percent of the total national budgets anticipated for those years.

Let us now briefly focus on Venezuela's exporting capacity at the end of this period, that is, by the century's end. According to a study made recently by Cambridge University, with the cooperation of the Venezuelan Government, it is estimated that the domestic consumption by the year 2000 could lie between 800,000 and 1.8 million BPD, depending on whether the economic growth rate is relatively low (0.9 percent, interannually, per capita), or relatively high (3.7 percent). If we extrapolate the historical trend in economic growth, we would arrive at a consumption of some 1.5 million BPD by the century's end.

Even if we were to take a rather conservative figure, such as 1 million BPD, for the domestic consumption by the century's end, the nation's exporting capacity would then turn out to be 1.8 million BPD; in other words, slightly under the current figure.

Assuming that as much as two-thirds (2/3) of this volume went to the United States, which is rather unlikely in view of the projected needs of the other nations on the continent, in any event it would not exceed 10 percent of the United States' total import requirements.

Some may think that this figure could be exceeded through even greater injections of capital and technology. Such a hypothesis should be rejected in the particular case of Venezuela, for two fundamental reasons.

First: The obligation that the country has to maintain reserves for the use of future generations. Insofar as the Orinoco Belt is concerned, which is where

the largest reserves are probably located, although there is no doubt of the existence of enormous quantities of oil in situ, we are not yet certain how much of it is economically recoverable.

Second: The need to maintain for the country a rate of oil investment that is consistent with the dynamic development of the other sectors of the economy. The experience of the recent past has shown that the mere massive injection of money does not lead to real development that would enable the country to solve its vast social problems. In addition to the resultant accelerated liquidation of our resources, it constitutes a subsidy for a type of life that could lead to the eventual collapse of the political and social structures.

Although, at first glance, these principles leading to the rationalizing of our future oil development might appear to some to be contrary to the interests of the United States, such a theory loses validity if one considers the importance to the entire hemisphere of the eventual success of the Venezuelan model of development, based on principles of liberty and respect for human dignity.

The mutual benefit of this rationalization of our oil development has also been expressed in the report on Venezuelan oil policy prepared by the Energy Subcommittee of the Joint Economic Committee of the Congress of the United States, dated February 1980, the final paragraph of which reads as follows:

"Taking into account the long duration of Venezuela's heavy petroleum resources, the United States' policy should bear in mind their strategic importance, and weigh the benefits of encouraging a rapid development of the Orinoco Belt to solve short-term supply problems, versus a more cautious approach, in keeping with Venezuela's current interests, and perhaps even more in keeping with the long-term energy requirements of the United States and the Western Hemisphere."

It is a primary responsibility of both countries that the latter constitute the orientation of our future relations. Let the mistakes of the past serve, not as recrimination, but rather to build a better future.

2909
CSO: 3010

CARICOM MINISTERS MEET; FOCUS ON CANADIAN AID

Five-Year Increase

Kingston THE DAILY GLEANER in English 17 Jan 81 p 1

[Excerpt] Canada is to increase development aid to the Commonwealth Caribbean by can. $25 million (J$37.5 million) from the present level of Can. $30 million (J$45 million), over the next five years, as part of its region.

The increased development aid, which is a major provision in a broad-based 17-point programme of co-operation and assistance agreed upon by the Canadian Cabinet after an 8-month review of that country's relations with the CARICOM, was announced on Thursday night by the Canadian Secretary of State for External Affairs, Dr. Mark MacGuigan, at the formal opening of the Canada/CARICOM Joint Trade and Economic Committee Meeting at the Pegasus Hotel, in Kingston.

Co-operation

In addition to increased development aid, the programme will provide for direct technical assistance, including technical planning, increased investment through co-operation between the private sectors of both countries and enhancement of trade between the two countries.

Particular attention is to be paid to the Less Developed territories (LDCs); and Canada has expressed its willingness to organize, along with the World Bank, a special consultative meeting this spring on the needs of the Leeward and Windward Islands.

Dr. MacGuigan, who underpinned his announcement with a statement on the warm and friendly relations which the two countries had shared over many years, outlined the framework for the programme of assistance, as follows:

"The Canadian Government has recently taken the decision to increase its Global development assistance from current level of 0.43% to 0.5% GNP by 1985/86. Within this increased level, a special priority will be given to the Commonwealth Caribbean.

We will achieve rapid annual increases which will lead to steady expansion in the real value of our aid to the region over the next five years. It is my personal hope that the totality of these flows will double in a very short time frame, perhaps in as little as three to four years.

Capacity

This will depen primarily on absorptive capacity, and in partiular, the amount of resources that regional governments can and will make available for development projects and programmes. [as published]

I can confirm today that the part of the Canadian official development assistance programme over which we have most influence, the bilateral programme, will jump from current levels of over $30 million to at least $55 million by mid point of the decade.

Leaders' Remarks

Bridgetown ADVOCATE-NEWS in English 17 Jan 81 p 3

[Text] Kingston, Jamaica, Friday (CANA)--Caribbean Community (CARICOM) Council of Ministers meeting for the first time yesterday were reminded of the benefits of the community to its 12 members despite recent difficulties.

"Caricom's record of fostering co-operation among our twelve countries, while not uniformly successful, is nonetheless cause for hope, if for no other reason than that CARICOM still exists, despite the enormous economic and political pressures it has faced", Jamaica's Deputy Prime Minister and meeting chairman, Hugh Shearer said yesterday.

Mr Shearer told representatives at the opening of the 18th regular session of the ministers that his Government, which took office last October, had begun its administration at a time when the world was beset by an array of serious political, economic and social problems.

"Old and new conflicts threaten the peace of the world," he said. "For the past several years, we have been living through a severe crisis in the international economic system.

"Developing countries such as ourselves find, in those circumstances, that their security is endangered, and their economic prospects significantly diminished.

"Within the parameters of national priorities, the logic of today's world compels developing countries to cooperate and unite in their effort to survive in a hostile world", he added.

Mr. Shearer pledged his Government's belief in the concept of regional and sub-regional co-operation, noting that the Caribbean was a natural area of interest for Jamaica, and that an economically strong and stable region is important to the trading and other relationships in which all CARICOM members were involved.

The Jamaican minister also pledged his country's solidarity with other Third World countries at the United Nations and elsewhere, pledged to pursue a policy of genuine non-alignment, and to support actively the work of the Group of 77 and the North-South dialogue.

Support for CARICOM was also given by speakers for the more developed countries (MDC's) and lesser developed countries (LDC's) of the region: Bernard St. John of Barbados and Prime Minister Eugenia Charles of Dominica respectively.

Mr. St. John, Barbados' Trade Minister and Deputy Prime Minister, noted that the last Council meeting held in Jamaica (June 1978) had seen the movement at its lowest ebb, and that decision had there been taken on the appointment of Secretary General Kurleigh King, and discussions held on the problems of the integration movement especially those countries with balance of payments problems, and programmes of action had been hammered out.

He noted, however, that there were many items still on the agenda which had been before the Council for a long time, and hoped these could be resolved.

The Barbados minister expressed regret at the slow progress in implementing the Canada-CARICOM joint cooperation agreement, and said that a balance would need to be struck between the wide international matters which would be of primary concern to Canada, and the pragmatic aid and trade matters which were the main concern of the Caribbean.

The issues of regional soilidarity and regional integration were addressed by Prime Minister Charles of Dominica on behalf of the LDC's.

Noting that she was entering what had been "heretofore a boys' club", Miss Charles said she was impressed by the neighbourly attitude of members of CARICOM one to another, and welcomed the attention given to the less developed states during what was a recent series of natural and man-made crises.

She said this solidarity was also evident in external fora.

"Dominica and the LDC's see CARICOM fundamentally necessary as an instrument for development and are therefore committed to CARICOM', she said.

And she said they were anxiously awaiting the report of the group of experts established to review the progress of the integration movement.

All the people of the region must be involved in examining this report, she said.

Her view was echoed by CARICOM Secretary-General, Kurleigh King, who said the reports would be in the hands of ministers in a few weeks, and that the Secretariat would be urging the Council of Ministers that it be widely disseminated before any decision was taken on the contents.

Dr. King, in his remarks at the opening ceremony, also noted items which will be considered by the two-day meeting.

He noted that the meeting would immediately precede a meeting of the joint Canada-CARICOM Trade and Economic Committee at the ministerial level, and that the Council must approve a negotiating strategy for that encounter.

The meeting would also have to decide on the final regional programme to be submitted for funding under the second Lome Convention--an exercise which, he said,

involved the scaling down of projects costing more than US$200 million to the available funding level of some US$80 million.

CARICOM relations with the United Nations Development Programme, and a decision on steps necessary to ensure adequate regional funding from the programme during 1982-86, was also on the agenda, as was the issue of Mexico-CARICOM relations, he said.

Common Fund

Bridgetown ADVOCATE-NEWS in English 18 Jan 81 p 3

[Text] Kingston, Jamaica, Saturday (CANA)--Canada has signed the agreement establishing the "Common Fund for Commodities", according to a Press release here.

The $750 million fund is to be established for financing international commodity agreements, with buffer stocks to enhance market price stability, and also to finance commodity development measures, such as research and market promotion, with the aim of improving the long-term competitiveness of various commodities.

A Canadian delegation, headed by External Affairs Minister Mark MacGuigan, is in Jamaica for a meeting on trade and economic matters with Caribbean Community (CARICOM) representatives.

The Common Fund, the result of four years of negotiation, is regarded as a key element in the North-South dialogue especially by the developing nations, who see in it a test of the developed commitment to international change.

The signing of the agreement is an indication of Canada's support of the ongoing process of the dialogue between developed and developing countries, the release said.

"In order for the agreement to enter into force it will require ratification by 90 countries. This requires a high degree of commitment by the developing countries as well as by the developed countries.

"The Common Fund is a cornerstone of the United Nations Conference on Trade and Development (UNCTAD) integrated programme for commodities which has as its main focus the stabilisation of prices and improving conditions of trade for 18 commodities of particular export interest to the developing countries.

The Common Fund will have two accounts: the first with resources of US$400 million in the form of capital subscriptions from member governments will help in the financing of buffer stocks.

These resources would substantially increase as individual commodity agreements associate with the fund and add their resources to those of the first account.

Canada's direct contribution will be US$10.38 million.

The fund will not intervene directly in commodity markets, but will work through international commodity agreements and the financial markets.

The second account is to have resources of US$350 million of which US$280 million will be voluntary contributions.

Canada has pledged $12 million to the second account.

The second account, using grants and loans, will help international commodity organisations, such as the proposed new jute arrangement, finance commodity related research and development projects, productivity and marketing.

Seaga Blueprint

Kingston THE DAILY GLEANER in English 19 Jan 81 pp 1, 13

[Text] Economic co-operation in the area of manufacture and re-export of goods, duty-free and in the production of agricultural and agro-industrial products, has been underlined by Prime Minister Edward Seaga as two areas offering possibilities for broadening the base of Canada/CARICOM relationships.

Prime Minister Seaga Listed these two areas as he told delegaes to the Canada/Joint Trade and Economic Committee Meeting at the Pegasus Hotel on Thursday night, that while Canada had investment amounting to $450 million in the CARICOM region, it was mostly in bauxite, banking, insurance and in transportation. [as published]

In the meantime, the region needed $300-million to raise the level of public investment flows to enable development to proceed at the pace which was required to "reach the take-off point."

This $300-million, he said, would have to be provided, "if it is to be provided", from multilateral sources such as the World Bank and the Inter-American Development Bank and also from the group of donor countries which had been benefactors to this region over the last ten years.

Noting that Canada played a major role in mobilizing the efforts of the donor group, the Prime Minister expressed appreciation for the assistance extended to the region by that country. However, aid flows were channelled to the public sector and was eventually directed to the rural sector of the economy. The urban sector, on the other hand, was more dependent on foreign inflows for development, because development of the private sector was more responsive to investment flows.

He then noted that Canada had a block of investment in the CARICOM amounting to $450 million; but the bulk of it was in bauxite, banking, insurance and transportation. Mr. Seaga then said:

"It would be a good time, therefore, to determine whether it is not possible to broaden this base--and in broadening this base, we know that there is no mechanism which allows for the manufacturing of goods in the CARICOM region and for re-exportation to Canada without duty on re-entry, similar to the "808" Scheme that prevails in the United States.

"We know also that there is to a large extent a lack of investment in both agricultural and agro-industrial products.

"These are areas which obviously can be the basis for the broadening of the inter-relationship of Canada and CARICOM investment in the region.

"Ironically, I do not think that it will improve our foreign exchange earnings, considerably."

Canada and the CARICOM already shared a natural relationship cemented by the bonds of trade and aid and by a political system and institutions which are steeped in democratic traditions.

"We are endowed with a broad resource base covering tourism, mining, energy and manufacturing: but energy and mining aside, it would be incorrect to assume that our inter-relationship is maximized in any of the other sectors", he said. CARICOM's agricultural export did not match its agricultural imports. Nor did its manufactured goods exported to Canada match its imports of manufactured goods from that source.

He hoped, said Mr. Seaga, that it was not assumed that the flow of migrants from this area was matching the flow of tourists from Canada.

Earlier, the Prime Minister said the region enjoyed excellent weather and beautiful beaches which were at once a liability and an asset. Recently, the nice climate and natural beauty for which the region was renowned had been superseded in international recognition by other factors. Indeed, the tranquility for which the area was known, had been shattered and the Caribbean was undergoing a transformation. This had served to focus attention on the Caribbean.

With this new focus on the problems that had arisen, had come a query: "What can we do in the face of this mounting area of de-stabilization and lack of tranquility?"

Mr. Seaga said the answer to that question was in two parts--one domestic and one external. Domestically, the region had settled its own political course over the past year. But in respect of the external component to the question, the answer lay in the greater support of capital resources and technology that can be transferred to the area. "But at this point another bit of irony intrudes, because the area, although classified within the Third World as an undeveloped area, suffers from an image which tends to put it in a category of its own--an image which indicates that this is not an area of high priority in terms of needs and wants.

"We are, in fact, part of that grey world of middle-level countries which have not yet reached the point of economic take-off, yet at the same time we are not among the least-developed countries of the world.

"These middle-level developing countries of which the CARICOM countries constitute a major part, have a legitimate complaint: it is to our own disadvantage that we are not under-developed enough to attract significant responses in aid flows; and conversely, we are not developed enough to attract significant interests in investment flows.

"We are left at a point halfway up the ladder in the expectation that we will manage to reach the top with the assistance of what aid can be salvaged and what investments can be managed."

This, he said, was poured out by the international policy towards concessionary lending as it applied to this area.

International lending institutions usually had a cut-off point below which concessionary lending does not apply; and in respect of the CARICOM area, that cut-off point made only some members of the CARICOM group eligible for concessionary financing.

Mr. Seaga then said that the GDP per capita ranged from a high of US$3,400 for Trinidad and Tobago and US$2,600 for the Bahamas to US$430 for St. Vincent and US$440 for Dominica. He said that while some countries within that range were able to benefit from the concessionary lending, there was, within that range "a mask of the real problem of deep-rooted poverty which exists on a large-scale. Because the range covers a large area of deep-rooted poverty that exists even within those countries which enjoy the far high end of the per capita GDP scale."

He then added that within the CARICOM region there was an urban developed sector and a rural sector which fell far behind in the stage of development to which it had reached, "and it is within that exists the real poverty which is a part of the deep-rooted problem of the area, often over-laid by the more prosperous position of the urban area."

In this context, he suggested that the meeting examine the economic relationship between Canada and the CARICOM in terms of the transfers of aid which were needed to help the region's economy reach the "take-off" point.

Canadian Investments

Kingston THE DAILY GLEANER in English 19 Jan 81 p 1

[Text] Four areas of investment possibilities in the Caribbean region for Canadian investors--either individually or through companies and joint ventures--were identified at a round-table conference on trade and investment sponsored by the Canadian Association Latin America and the Caribbean (CALA) and the Caribbean Association of Industry and Commerce (CAIC).

The four areas identified are Agri-business, Tourism, Fishery and Forestry. They were identified following a full day of discussion on investment prospects and Caribbean opportunities.

The conference which coincided with the CARICOM Council of Ministers meeting held at the Jamaica Pegasus Hotel, was opened by the President of the Jamaica Manfacturers' Association, Mr. Winston Mahfood.

He told the conference that the region's commercial and social relations with Canada "are of such long-standing and intimacy that I do not have to go into a review of its history. [as published]

As a region, the Caribbean was not by any means devoid of natural resources "but the kind of resources we do have do not yield automatic benefits," he said.

"They must be arduously exploited. They must be appropriately developed and brought into the production process in such a way that the Caribbean countries

will gain a fair share of the export markets. To accomplish this, we must apply all the skills, talent and technology that can be brought to bear on the development of the region.

"We know that there are once again discussions in the Canadian Parliament on the question of aid versus trade. Quite frankly, we have had to turn out attention to trade in order to pay for our energy and basic imports. [as published]

Canada and our region represents geographic entremes. We, therefore, can do much to enhance one another's Industry and Commerce and benefit in the process. If we accept this as a fundamental principle in our relationship, we shall find the obvious opportunities opening up for both the people of Canada and the Caribbean countries."

Mr. Mahfood said he was gratified to see the C.A.I.C. in a pioneering role on behalf of the Caribbean private sector. It was only through such a unifying and co-ordinating role that the full potential of the region would be realised.

"We speak not only of the potential for business but also of the benefits that will accrue to the people of the region from these efforts," Mr. Mahfood said.

A conference source told the GLEANER that four areas of investment possibilities were identified, adding that even the question of alternative sources of energy was raised.

Attention was focussed on what impediments there were against Canadian private sector investment in the region. These impediments were the seeming lack of knowledge in Canada of investment opportunities in the region and an apparent failure to identify projects clearly.

Areas that might arise in for instance agri-business where price controls apply, were noted into the conference, which also pointed out in another area, that in some cases the market size of the economy was insufficient to warrant the investment and as such co-operation between the other nations in the regions was required.

Private Sector Credit

Kingston THE DAILY GLEANER in English 21 Jan 81 p 9

[Text] The Canadian Government is to be asked to give consideration to the provision of a special revolving credit facility directly to the Caribbean private sector in order to permit the imports of Canadian raw materials and spare parts at concessional rates.

Decision was taken by the Joint Meeting of the Caribbean Association for Industry and Commerce and the Canadian Association for Latin America and the Caribbean which ended at the Pegasus Hotel on Saturday, to approach the Canadian Government on the matter; and the group is to prepare a proposal on the subject.

At the same time, the joint meeting, which was attended by some 70 businessmen from the Caribbean and Canadian private sectors, agreed to ask the Canadian Export

Development Corporation to "review urgently its policy so as now to provide credit insurance and investment insurance on corporate account to Jamaican and Guyanese companies."

Such a policy, said the businessmen, would have "significant positive effects" on Canadian exports and industrial growth in these economies. The Canadian group confirmed their intention to submit a request for this review immediately upon their return to Canada.

These were two of the more significant decisions taken at the Joint Meeting which formed part of the Canada/CARICOM Joint Trade and Economic Committee Meeting, held at the Pegasus from Thursday to Saturday. They were announced in a ten-point report to the Committee, told at a Press conference given at the conclusion of the meeting.

The report emphasized the desire of the private sectors of both countries to promote and participate in the rapid development of the Caribbean regional economy and, in doing so, to establish a close working relationship.

"We will be presenting to our governments within a short period a proposal for joint action, especially in the identification of economically viable industrial projects involving the private sector, and in the identification of appropriate investment partners," the report said.

The businessmen proposed that, in relation to tariff and non-tariff barriers which exist in Canada hindering the expansion and development of export opportunities for Caribbean products in the Canadian market, consideration be given to the establishment of specific consultative mechanisms whose objectives would be to eliminate or reduce the detrimental effects of such barriers.

It was decided to re-convene the meeting (rount-table discussions) of the private sectors of both countries, most likely in Canada, within eight to twelve months, to review the results achieved from the initial steps taken during the meeting just ended in Kingston. [as published] That second meeting would plan further initiatives.

In addition to the private sectors' report, a communique on the Joint Canada/CARICOM Committee meeting was also issued at Saturday's press conference.

This communique summed up the proposals by Jamaica's Prime Minister, the Hon. Edward Seaga, that Canada should take a lead role in mobilising aid to the region; those by Deputy Prime Minister the Rt. Hon. Hugh Shearer (who was co-chairman of the meeting) that the process of development in the region could be profoundly assisted by Canada and that the announcement of the Canadian Secretary of State for External Affairs, Dr. Mark MacGuigan (co-Chairman), that Canada would increase development aid to the region from $30m to $55m.

Dr. MacGuigan announced that there would be a steady expansion in the real value of Canadian aid to the region over the next five years.

In response to a question about the Canadian Cabinet's decision to accord priority consideration to the Commonwealth Caribbean in its development aid programme, Dr. MacGuigan said Jamaica was at the top of the priority list.

Stating that special attention would be given to the development needs of the Less-Developed Countries, Dr. Macduigan said that Canada was prepared to organize, with the World Bank, a special consultative meeting on the needs of the Leeward and Windward Islands. [as published]

In addition, there would be increased levels of technical assistance, help in funding alternative energy studies and special assistance to meet the security needs of the region, including civil emergency planning to deal with disasters such as hurricanes, volcanic eruptions, oil spills and epidemics.

The Canadian side to the talks gave the undertaking that the level of aid to CARICOM would be reviewed and that, at the time of the meeting of the Caribbean Group for Co-operation in Economic Development in June this year, Canada "might be in a position to give a more specific indication" on development aid.

So far as industrial co-operation was concerned the CARICOM delegation sought clarification of the Canadian proposal to provide one million dollars annually as concessional industrial credits to enable the hiring of Canadian advisers to assist in industrial planning and implementation.

"Moreover, CARICOM indicated the major advantages of utilizing the services of regional experts whenever possible" it was said. It was agreed that the matter should be reviewed.

Commenting on the Joint Meeting, Dr. MacGuigan described it as "very good" and one which afforded him the opportunity to meet with people from the Caribbean.

Quite apart from his attendance at the Joint Canada/CARICOM Trade and Economic Committee Meeting, he was also on an official visit to the region, said Dr. MacGuigan; and he had held talks with Prime Minister Seaga, Mr. Shearer and called on the Governor-General.

Winding up the discussions, in his capacity as Co-Chairman of the Joint Committee, Mr. Shearer said the talks were "valuable", covering a wide range of subjects and enabling understanding to be arrived at on a number of these. He said the CARICOM side emphasized the importance of utilizing indigenous expertise and of self-reliance as a key element in aid programmes. Agreement was also reached on the point that balance of payments support should be separate from the aid package.

Mr. Shearer said that at the meeting planned for June the response to a number of questions raised at the meeting just ended would be given.

The joint report of the businessmen was presented by Mr. Paul Opler for the Canadian side; and by Mr. Jodha Samaroo, for the Caribbean side.

CSO: 3025

APH'S OCHOA ON SALVADORAN REFUGEES, PRESS CAMPAIGN AGAINST NICARAGUA

Managua BARRICADA in Spanish 26 Dec 80 pp 1, 5

[Text] Comrade Jose Ochoa Martinez, president of the Honduran Press Association (APH), has denounced the torture and abuses suffered by Salvadoran peasants who have sought asylum on Honduran territory, to force them to inform on the FMLN's [Farabundo Marti National Liberation Front] guerrilla camps.

Interviewed in this capital city on his way to Tegucigalpa, Ochoa Martinez also said that the Sandinist Revolution and the struggle of the Salvadoran people have been suppressed by the news media which is controlled by big money in Honduras.

The Honduran journalists' leader reported that in Colomoncagua, Intihuaca Department, located on the Honduran border, many of the 30,000 Salvadorans who fled the military Christian Democrat repression have been beaten, tortured or abused to make them reveal the locations of the FMLN's guerrilla camps.

"Many children have been beaten, many peasant women have been raped; such is the tragedy that this fraternal people are living, and such is the meaning of the famous 'Peace Treaties,'" said the president of APH.

He affirmed that the cruelty of the Salvadoran military is confirmed by the large number of testimonies from pregnant peasant women in that country, who reported being raped by the undisciplined soldiers of the Christian Democrat Junta.

Ochoa affirmed that the Commissioner of the United Nations Refugees Organization witnessed these reports and has in his hands proof of these barbarous and shameful acts.

Sandinist Revolution Boycotted

The president of APH reported that the large press in his country, that is the principal newspapers and television stations controlled by big money, are organizing a campaign to discredit the revolution, inspired by shady interests.

"The news media is in the hands of 'money' and the transnational companies, which are dedicated to a systematic campaign to discredit the revolution," said the Honduran journalist.

He reported that the news media--in shameless collusion with certain sectors of the Honduran army--is offering "protection to the Somoza guards that fled from revolutionary justice when the 45-year-old dictatorship was destroyed."

They Move With Ease

The APH leader pointed out that the Somoza guards move very freely on Honduran territory. He added that high military officials of the Somoza regime are frequently seen carrying large amounts of money, squandering it in nightclubs or stores.

"They give the impression of being supported by the reactionary forces of my country," he added.

And It Is a Campaign Against Central American Progressive Journalism

APH's president said that this action has been combined with the expulsion of progressive and responsible journalists who belong to APH.

He affirmed that evidently an attempt is being made to nullify the actions of these journalists in the large newspapers or TV stations. "They do that to prevent journalists from reporting what is actually happening in the Sandinist Popular Revolution, what is happening in Honduras, or with peoples struggling to obtain their liberation."

People Seek Their Own Methods

However, Jose Ochoa Martinez said that the Honduran people are looking for their own ways of fighting when they discover that the media does not serve the people.

"Our people have had to resort to graffiti, which is the only way to repudiate the regime's oppression."

But, he added, journalists are becoming aware of the problems and, little by little, through a tenacious struggle, are meeting with the people and with their problems.

"Journalists have adopted positions more in tune with the struggle in which their people are engaged. This is class consciousness and not mere pseudo-intellectualism. Journalists are adopting their role as workers with a pen."

Later he stated that the Honduran people are in solidarity with the Sandinist Revolution, in spite of the discrediting campaign waged by this country's news media. "We believe it is necessary to contribute to the revolution's consolidation, because its failure would imply the failure of our own people."

The 'Peace Treaties'

Comrade Ochoa Martinez referred later to the famous "Peace Treaties" signed by Honduras and El Salvador. "This has not been a peace treaty, but a war treaty against the Salvadoran people. That document lacks popular backing because the people were neither informed of it nor discussed it."

With this treaty, the armies of Honduras, El Salvador and Guatemala are trying to bury the desires for freedom of our brothers, the Salvadoran people," he said.

9756
CSO: 3010

CUBAN COMMENTARY STRESSES PLIGHT OF HAITIAN BOAT PEOPLE

PA111633 Havana International Service in Mandarin 2310 GMT 10 Feb 81

["Our America" commentary]

[Excerpts] A dangerous trip of almost 1,200 km has been made by thousands of makeshift boats which have left Haiti secretly for the United States during the past few years. Many of those boats, which normally use rags for sails, have capsized and the passengers--men, women, children and the elderly--have ended up at the bottom of the Atlantic.

What we are citing is just part of the tragedy of thousands upon thousands of Haitians who have been forced to leave the country, where misery and hunger make it impossible for the majority to live. The destination of the exodus is mostly the United States, the country that imperialist propaganda portrays as an unparalleled paradise, a model of welfare and freedom. However, they soon come up against real life in the United States, where they experience racial, labor and social discrimination. They are locked up in near concentration camps and they live under the constant threat of deportation, and a forced return to Haiti, as has been noted with specific examples, involves imprisonment, torture and death.

The Haitians' drama in the United States is such that not even the imperialist international news agencies can hide it.

[Words indistinct] Jean Claude Duvalier is still oppressing the Haitian people, U.S. federal officials rush to say that the Caribbean nation's regime is anticommunist and a friend of the United States.

CSO: 3010

PRESTIGE OF GOVERNMENT, NETTO DECLINES AMONG BUSINESSMEN

Survey Results Reported

Sao Paulo EXAME in Portuguese 28 Jan 81 pp 14-15, 17-18

[Text] Confidence of businessmen and executives throughout the country in the performance of the Figueiredo government and especially in its conduct of economic policy was never so shaken as now, judging by the results of the most recent semiannual survey of the EXAME Panel of Executives. Confirming a trend detected at the middle of last year, the survey shows the Figueiredo government continues to lose ground in the estimation of businessmen. And it reveals unmistakably that the most erosion was that suffered by Planning Minister Delfim Netto. It is, in fact, curious to note that Delfim's loss of esteem was so great during the last 12 months that evaluation of his performance in the Planning Secretariat in the latest survey was practically the same as that received by former Planning Minister Mario Henrique Simonsen in the survey made 2 months before he left the cabinet. Nor is it hard to recall that in the survey made at the end of 1979--a little more than 3 months after Delfim took over the post formerly held by Simonsen--he received 69.3 percent "excellent" and "good" grades from the businessmen, the highest recorded since these periodic evaluations began.

As can be seen in the table below, the government earned the evaluation of "fair" from 51.6 percent of the 694 businessmen who answered the questionnaire. Adding to these the 21.6 percent who voted "excellent" and "good," it appears that 73.2 percent of the businessmen still approve (or at least do not disapprove) of the government. But this is not all.

In view of the voting trend in the last 12 months, it is noted that, although still having the support of the broad majority, the government continues to lose ground in the judgment of businessmen. During this period, whereas "excellent" and "good" votes fell from 40.5 percent to 21.6 percent, practically reducing them by half, the percentage of "bad" and "very bad" almost tripled, jumping from 9.8 percent to 26.7 percent--from which also resulted a drop of "fair" votes from 57.8 percent in the second half of last year to 51.6 percent currently.

Erosion of confidence in the government seems to be due to the ineffectiveness of its anti-inflation policy and the recessionary effects embodied in Delfim Netto's new guidelines for restricting price increases and reducing the balance-of-payments deficit.

Same As Simonsen

So it is not surprising that Delfim's rating has plummeted, the less so because businessmen now see confirmation of what they were already suspecting at the middle of last year. That is, that there is no fundamental difference between the policy of the current planning minister and that of his predecessor, as Delfim has also had to admit that economic growth must be less in order not to further aggravate the balance-of-payments situation.

Quite probably that is why Delfim, among all the ministers of the economic area, slipped the most, in receiving 41 percent "bad" and "very bad" votes (8 times the 5.2 percent of 1 year ago), compared to the 40.1 percent given Simonsen in June 1979, 2 months before his resignation. Accordingly, his "excellent" and "good" grades fell from 69.3 percent 1 year ago to 22 percent now, while "fair" votes increased from 32.2 percent to 37 percent.

His strongest competitor for popularity, Labor Minister Murillo Macedo, meanwhile, gained the most ground, thus recovering from the loss suffered 6 months ago, after the ABC [refers to industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul] metalworkers' strike. Author of the proposal for semiannual salary adjustments which, although opposed at the time by some cabinet ministers, has contributed to reducing labor unrest, Macedo's "excellent" and "good" evaluation rose from 23.8 percent 6 months ago to 33.6 percent now, after having fallen from 68.9 percent when he took office to 43.4 percent 1 year ago.

Macedo Ahead

Further corroborating the extent of recovery in his standing, Macedo now shows the lowest percentage of "bad" and "very bad" votes (20.7 percent) and the most "excellent" and "good" (33.6 percent), as well as the highest proportion of "fair" votes, with 45.7 percent.

In the estimation of businessmen, the labor minister's performance surpasses that of all the others. In "excellent" and "good" grades he is 10 points higher than Delfim, who surpassed him by almost 26 points 1 year ago.

Along the same path, although somewhat behind, comes Industry and Commerce Minister Camilo Penna, whose standing also improved over the previous evaluation, having increased the share of "fair" votes from 42.1 percent to 45.2 percent, while reducing "bad" and "very bad" from 31.8 percent to 28 percent and raising "excellent" and "good" slightly, from 26.1 percent to 26.9 percent.

Headed in the opposite direction is Finance Minister Ernane Galveas, whose unpopularity is exceeded only by that of Mines and Energy Minister Cesar Cals. Most (57.8 percent) businessmen consider the Galveas performance "bad" or "very bad," compared to 49.1 percent in the middle of last year.

This growing lack of confidence in Galveas certainly coincides with--besides the natural erosion caused by the ineffectiveness of economic policy--the Vale case, a financial scandal not yet erased from the public mind that left the finance minister's reputation singed, and, more recently, the extra stop made in Brasilia by a Varig flight just to let him disembark.

Cals Recovers

But Mines and Energy Minister Cesar Cals still leads in total negative votes. This time, however, his "bad" and "very bad" marks recovered significantly, falling from 76.7 percent to 62.8 percent. In the last 6 months, moreover, he managed to more than double his share of "excellent" and "good" scores, from 3 percent to 8.1 percent, while also increasing his "fair" ratings from 20.3 percent to 29.1 percent.

Asked for their predictions about the performance of the major economic indicators in 1981, the 694 businessmen who replied to the EXAME Executive Panel estimate that inflation will remain above 100 percent for at least another year, while wage increases should not surpass 90 percent. They estimate an annual rate of 84 percent for monetary correction and place cruzeiro devaluation somewhat below that figure--81 percent. (See below the relation that businessmen expect to see between the rate of inflation and monetary correction, exchange devaluation and the INPC [National Consumer Price Index]. Also see [not shown here] in the "Ideas" section the comments of Prof Stephen Charles Kanitz about the results of the survey.)

Problem No. 1

Asked to indicate, between foreign debt and inflation, the larger problem now faced by the Brazilian economy, 46.4 percent of the businessmen mentioned the former, while 31.4 percent chose inflation. A relatively large number of those queried (22.3 percent), however, think the economy's No. 1 problem is another. Although each one makes his own diagnosis, the opinions in this case center around certain "concerns," such as the energy problem, excessive state control over the economy, lack of clear economic policy, lack of criteria in defining priorities for public expenditures and administrative incompetence. There are also those who mention corruption and excessive perquisites and even the unbridled frankness of warning that "one minister undoes what the other does," or that "if Maluf were president I would leave the country." (See table below.)

In regard to wage adjustments, a polemical theme that divided cabinet ministers and businessmen recently when the new wage policy was approved in November and that still remains largely undefined, the opinion of the Executive Panel is overwhelmingly (70.2 percent) in favor of differentiated adjustments, whereas only 29.8 percent favor equal adjustments for everyone.

Up to 5 Times Minimum Wage

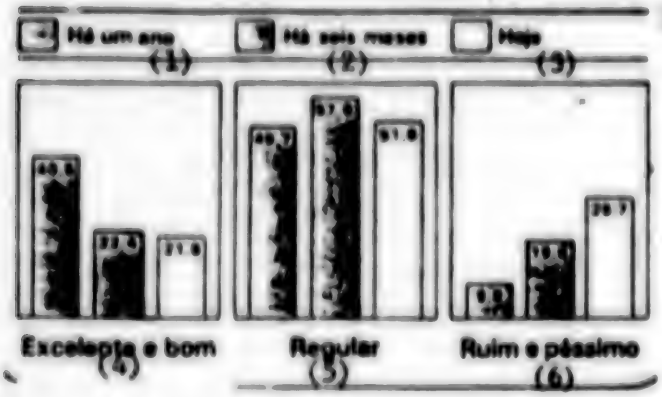
These same businessmen favorable to differentiated readjustments, when asked how they should be staggered, replied (see table below) that the lowest-paid workers should get bigger adjustments. The largest percentage (26.1 percent) of businessmen indicated the limit of up to 5 times the minimum wage should govern such a policy. A somewhat smaller percentage (24.8 percent) of those surveyed prefer the limit of 3 times the minimum wage, while 17.6 percent would extend it to 10 times the minimum wage. A relatively small (8.8 percent) portion of them propose larger adjustments for up to 15 times the minimum wage.

As for smaller adjustments, 26.1 percent of businessmen propose they take effect above 10 times the minimum wage, while somewhat fewer (20 percent) think the differentiation should begin at 15 times the minimum wage. A respectable number

(17 percent) go even further, proposing 20 times the minimum wage, while the remaining 13 percent would like to see differentiated adjustments applied only above 30 times the minimum wage.

Government, Fair Performance

(Evaluation of the Figueiredo government as a whole, compared with the grades given by businessmen 6 months ago and 1 year ago, in percentages)



Key:
1. One year ago
2. Six months ago
3. Today
4. Excellent and good
5. Fair
6. Bad or very bad

Debt, Main Problem

(The main problem now faced by the Brazilian economy, in the opinion of businessmen, in percentages)

Dívida externa	(1)	46,4
Inflação	(2)	31,4
Outros	(3)	22,2

Key:
1. Foreign Debt
2. Inflation
3. Other

Varied and Curious Diagnosis

The major problem faced by the Brazilian economy today is the foreign debt, in the opinion of 46.4 percent of the businessmen who responded to the EXAME Executive Panel survey. Another 31.4 percent think first place should go to inflation.

But there is a relatively high proportion (22.3 percent) of businessmen who make their own evaluation of the economic situation, raising to the top position diagnoses so disparate as "credibility of statements," the "housing shortage," and "the birth rate." There were also those who mentioned the "threat of recession," the "excessive manipulation of the economy," the "lack of popular support for the government" and "unplanned megalomanic public works." Finally, in what cannot help but be a curious sign of the times, there was a businessman who entered on this line "the presence of Delfim Netto in the government."

Support for Differentiated Wage Adjustments

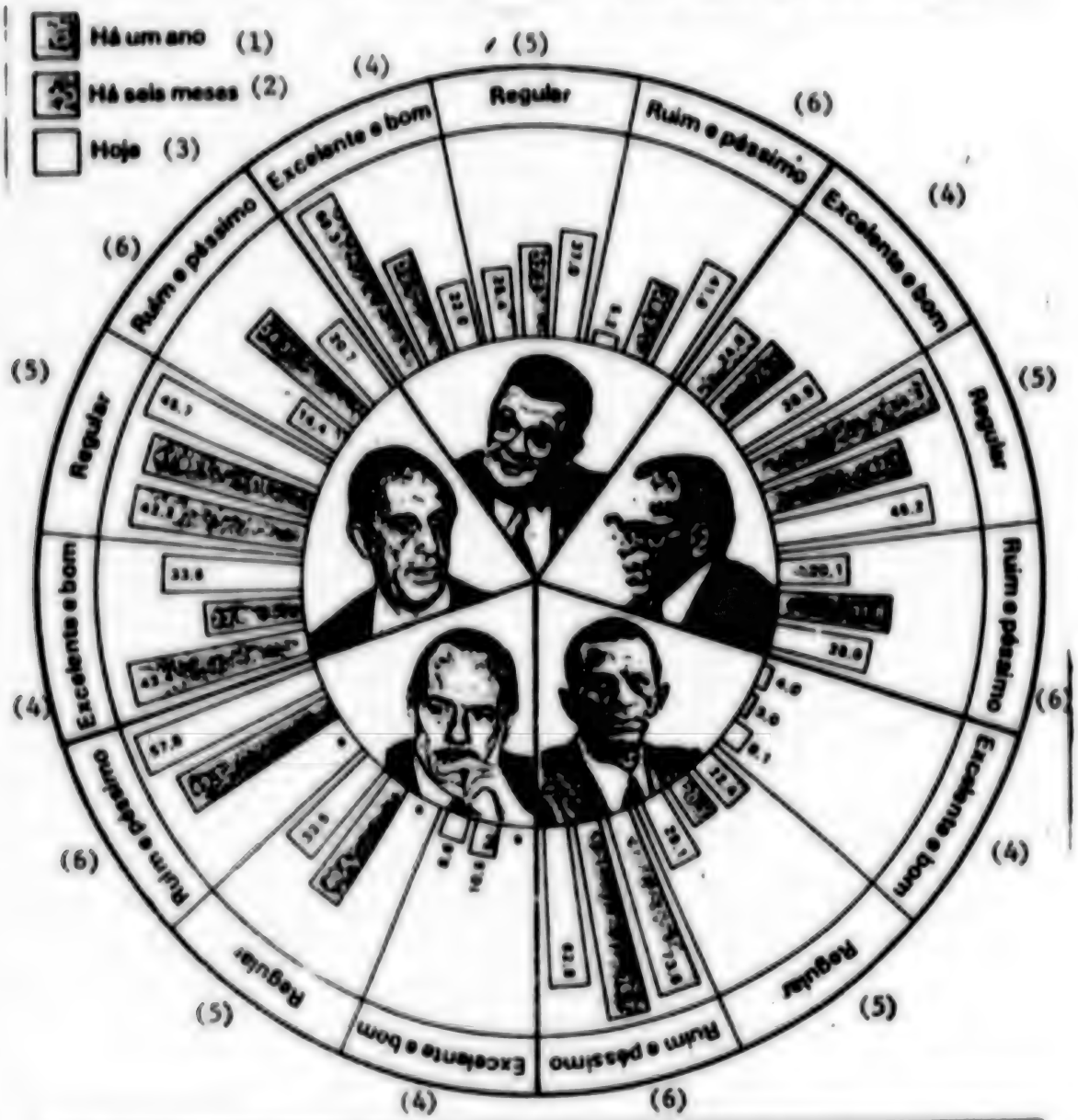
(Opinion of businessmen about how wages should be adjusted, in percentages)

Key:

1. Same for everyone
2. Differentiated
3. Source: Panel of Executives/EXAME
4. Larger increases for lower wages
5. Up to 3 times the minimum wage
6. Up to 5 times the minimum wage
7. Up to 10 times the minimum wage
8. Up to 15 times the minimum wage
9. Smaller adjustments for higher salaries
10. Above 10 times the minimum wage
11. Above 15 times the minimum wage
12. Above 20 times the minimum wage
13. Above 30 times the minimum wage

Harsh Judgment of Delfim

(Evaluation of the performance of cabinet ministers, according to businessmen, and comparisons with scores of 6 months ago and 1 year ago; in percentages)



Fonte Painel dos Executivos/EXAME (7) (8) * assumiu o Ministério da Fazenda em janeiro de 1980

Key:
1. One year ago
2. Six months ago
3. Today
4. Excellent and good
5. Fair
6. Bad and very bad
7. Source: Executive Panel/EXAME
8. Became finance minister in January 1980

Measuring Distance Between Inflation and Monetary Correction

How many percentage points below inflation will monetary correction, exchange devaluation and wage adjustments be? Although this determination is crucial for good

business planning, the authorities have not yet explicitly defined the relationship among these variables, forcing businessmen to make their own calculations.

The charts below picture the answers arrived at by nearly 700 businessmen. For an inflation of 110 percent, for example, they estimate a monetary correction of 83 percent, an INPC of 92 percent and an exchange devaluation of 84 percent. If inflation is only 90 percent, monetary correction will be 72 percent, exchange devaluation will be 75 percent and INPC will be 83 percent.

One notes here from the exchange devaluation chart that businessmen no longer expect another maxidevaluation or a series of mididevaluations. Only 7 percent of them expect a maxidevaluation in 1981.

Another revelation that emerges from this study is that few businessmen and executives are confident about the success of the savings campaign because, given the distance between expected monetary correction and full monetary correction [the rate of inflation], the passbook saver will receive negative real interest. And, what is worse, businessmen are convinced that the higher the rate of inflation the greater will be the relative distance between monetary correction and inflation.

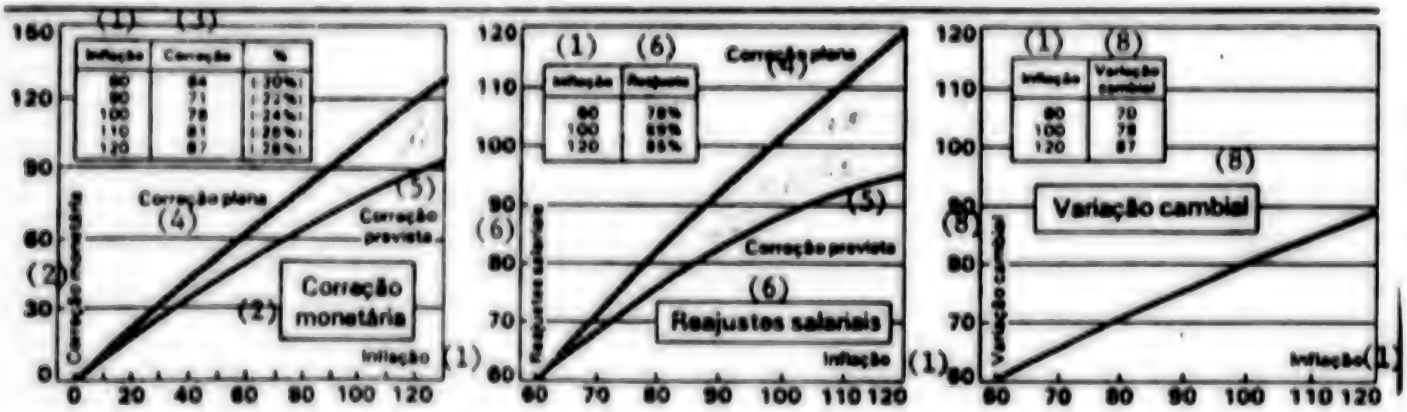
Major Indicators

(How the major reference points of economic policy will perform, as forecast by businessmen)

Key:
1. Inflation
2. Monetary Correction
3. Wage adjustments
4. Exchange devaluation
5. Source: Executive Panel/EXAME

In Planning, Signs of Uncertainty

(Correlation between the levels predicted by businessmen for monetary correction, wage adjustments and exchange devaluation and the inflation rates projected by them; the curves show that the greater the inflation, the larger the predicted gap for the other indicators)



Key:
1. Inflation
2. Monetary correction
3. Correction
4. Full correction
5. Predicted correction
6. Wage adjustments
7. Adjustment
8. Exchange devaluation

Reason for Unpopularity

Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jan 81 p 38

[Article by Helival Rios: "Delfim and the Reason for Unpopularity"]

[Text] Brasilia--"It is something intuitive: people want to find someone to blame things on because no one wants to acknowledge that chance and outside factors beyond our control are responsible for anything bad." This is how sources associated with the Planning Secretariat replied to the inquiry by FOLHA DE SAO PAULO regarding what they thought of the results of the survey among businessmen made by the EXAME magazine which reveals a pronounced increase in Planning Minister Delfim Netto's unpopularity.

According to the survey, 1 year ago 5.2 percent of the businessmen in the sample classified Delfim Netto's management of economic policy as "bad" or "very bad"; 25.4 percent, as "fair"; and 69.3 percent as "excellent" or "good." Six months ago this was changed, in the same order, to 28.3 percent, 32.2 percent and 39.5 percent.

Today, the survey reveals that 41 percent of the businessmen questioned classified Delfim Netto's performance in running the government's economic policy as "bad" or "very bad"; 37 percent as "fair"; and only 22 percent as "excellent" or "good."

The survey thus reveals that Delfim's popularity among businessmen evolved inversely to the rate of inflation; that is, the higher the inflation the less confidence there was in the planning minister. The same thing occurred in the case of Finance Minister Ernane Galveas.

In the Planning Secretariat, this result is viewed by some with a certain naturalness, as in a soccer game. If the team is winning, the players are all star performers and the coach is excellent. If the team is losing, it is "playing on a wooden leg," and the coach is a bum who doesn't know anything. And, in fact, a plausible explanation, but an unsatisfactory one. The businessman is becoming increasingly dissatisfied with government economic strategies. It is not just that the team is not scoring enough goals, but it is because they earnestly believe that if tactics had been changed sooner they would be losing by a smaller margin. They also accuse the authorities of changing the rules of the game at every moment, leaving the players--businessmen, workers, housewives, comsumers and farmers--holding the bag.

It is a crazy game, in which our side's coach is also the referee, and he changes the rules every minute. For a while a high kick is a foul; for awhile it is not. There are people with broken shins and nobody calls a penalty. Others put the ball in the corner, thinking the referee will not call anything, but he does.

So, what the players want is for the authorities to stop making the game so confusing, especially because the rules are valid only for our team. They should stop, define each little rule clearly to the players and tell the team to go out and play. Then, they think, it will be much easier to catch up and, who knows, turn the game around. Perhaps this confusion of rules, along with a more or less arbitrary referee, as well as excessive tactical empiricism on the coach's part, are much more responsible for the unpopularity of the government's economic team than anything else.

But this is just one more conjecture. As a matter of fact, it seems that the failures as well as the tactical indecisiveness are responsible for worsening the image of the government's economic team. A little of each: no one likes to lose all the time nor always to be taken by surprise. With or without an explanation, the warning of Senator Jarbas Passarinho is quite correct: The entire government must ask itself in the corridors of power: if it continues like this, what will happen in 1982? What will the voters say?

8834
CSO: 3001

COUNTRY SAID TO HAVE POOR INVESTMENT IMAGE IN ARAB WORLD

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Jan 81 p 23

[Text] Sao Paulo--The Bonfiglioli Corporation and the Piramides Brasilia group will join with Arab financial institutions to form an investment company. The new company, provisionally called Investpartners, is having difficulty doing business because of Brazil's poor image in the Arab world. "Aras Brazilian Investment, created by capital from Kuwait and the BNDE [National Economic Development Bank], put the Arab money, at the suggestion of the Brazilian party, in weak businesses with low profitability. And the purchase of Velkswagen was catastrophic for the Kuwait government, which invested $113 million. This year the company is already in trouble," says Antoine Kairouz, foreign affairs director of the new corporation.

He attributes the failure of negotiations with the Arabs to many factors, including the Brazilians' lack of integrity. Last year, for example, two Arab investors were here looking for land. A group offered them a ranch for $15 million and then finally settled for $4 million. The Arabs kept their money and went back home because they had lost all confidence.

The image of Brazil in the Arab world is the worst possible. Most of the people don't even know the country exists. In financial and business circles, Brazil is described as a country with high inflation, without social stability since the ABC [refers to industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul] strikes, with an enormous foreign debt and difficulties for the free transit of capital," says Kairouz. This profile, in his opinion, was reinforced by the European and American media. For example, NEWSWEEK, in one of its recent issues, classifies Brazil among the 10 worst countries to invest in. "When inflation is exactly how big capital makes more profit," he comments.

The lack of confidence in the country is not the only impediment to entry of petrodollars, of which Kuwait alone has $60 billion to invest abroad. There is also the problem of distance. There is no direct flight between Brazil and the Arab countries. Any trip takes at least 24 hours. There is not even a direct telephone connection. Furthermore, few Brazilians speak English, the second official language of the Arabs, fluently.

As if this were not enough, Kairouz continues, contrary to what is thought, the government and Brazilian businessmen do not operate aggressively in that region. In the United Arab Emirates, considered one of the major financial centers of the Orient, Brazil maintains a charge d'affaires with 1 or 2 employees for support, while the United States mission has over 500 members.

Brazilians also cherish the false notion that the Arabs, overwhelmed with their petrodollars, have nowhere to invest. It happens that the stock market in that region has reached a level that assures a net return of 30 percent annually. In international banks, dollar deposits are earning 20 percent interest.

Furthermore, the big Arab capital is in the hands of governments that do not always invest merely for profit. There are, for example, religious reasons that induce them to invest in Muslim countries. It is also important to know that the Arabs act very much on the basis of friendship and there is nothing better to attract investment than forming a partnership with local banks.

The association between Bonfiglioli and Alaska--the company of the Piramides Brasil group may go in on the deal--will seek above all to establish Arab confidence in Brazil. "We will guarantee that the capital will be well administered," says Kairouz. Persian Gulf nations are interested mainly in agricultural, livestock and agro-industrial projects. In second place is the real estate market and, third, tourism projects.

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CSO: 3001

ENGESA PROJECTS EXPORTS OF $1.6 BILLION IN 10 YEARS

Rio de Janeiro GAZETA MERCANTIL in Portuguese 28 Jan 81 p 11

[Text] Sao Paulo--According to its report to shareholders accompanying its financial statements for the period ending 31 August 1980, ENGESA (Specialized Engineers, Inc) should export the equivalent of $1.6 billion in 10 years. The document goes on to say that "for a company that has met its 5-year export goal 18 months ahead of schedule, this new program, although ambitious, is perfectly feasible within the climate of government/business integration and cooperation."

ENGESA had net revenue during the period of 5.331 billion cruzeiros, which is 90 percent more than received in the previous 14-month period. The company reduced costs from 65 percent to 50 percent of sales. Net profit was 430.6 million cruzeiros, equal to 2.92 cruzeiros per share. Net earnings reflect the impact of financial expenses which, net of financial receipts, were 1.499 billion cruzeiros. As a result, operations could not produce a return on net worth of more than 5 percent. Operating income was 92.2 million cruzeiros.

Net worth of 1.747 billion cruzeiros in greatly exceeded by debt capital of 4.460 billion cruzeiros (3.556 billion cruzeiros of it short-term).

Assets include: accounts receivable from clients of 1.146 billion cruzeiros; finished goods to be billed of 530.3 million cruzeiros; export tax credits of 616.9 million cruzeiros; inventory of 1,455 billion cruzeiros; investments of 1.498 billion cruzeiros; fixed assets of 1.099 billion cruzeiros. Having abundant fixed operating assets and fixed capital assets, ENGESA owns a controlling interest in ENGEXCO Export Corporation, ENGEX (Specialized Equipment Export Corp), ENGEPEQ Technological Research on Vehicles Trade and Ventures, Ltd and ENGEVIDEO, Ltd.

In its latest period, ENGESA paid dividends of 0.28 cruzeiros per share and distributed a 100 percent stock dividend.

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IBEA TO MAKE FIRST ANTARCTIC EXPEDITION AT END OF 1981

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jan 81 p 12

[Text] Porto Alegre--The Brazilian Institute for Antarctic Studies (IBEA) intends to make Brazil's first expedition to Antarctica by the end of this year and has decided that the departure point will be the city of Rio Grande, 300 kilometers from Porto Alegre, due to its strategic position and its having a museum and an oceanographic base that will send several experts on the voyage.

The announcement was made in Santa Vitoria do Palmar by Pericles Azambuja, member of the IBEA who last weekend participated in a meeting in Montevideo between the entity's president, Joao Aristides Wildgen, and experts associated with the Uruguayan Antarctic Institute. He explained that the voyage now depends only upon IBEA being considered of "public utility" by the Justice Ministry so the institute may collect donations from companies (only in this way may such funds be deducted from the income tax) and organize the expedition.

Wildgen also announced in Uruguay, according to Pericles Azambuja, that, after having been recognized as of public utility, the institute will have three options to get the ship that will conduct the Brazilian expedition to Antarctica. Depending upon the funds to be obtained, a ship could be acquired in Angola, already equipped for voyages to the Pole. Another alternative is the loan of a ship by the Navy and, finally, using a ship from the Sao Paulo Oceanographic Institute (that of Rio Grande University, according to the IBEA member in Santa Vitoria do Palmar, is small and cannot be used in the expedition).

The meetings in Montevideo were held with Julio Musso, founder of the Uruguayan Antarctic Institute, and Bernardo Quagliotti de Bellis, director of the international magazine GEO-SUL, and was for the purpose of getting preliminary support from experts in that country for the expedition. According to Pericles Azambuja, it is possible that experts from both countries will participate in the voyage, since if Uruguay does not also make a scientific expedition to the region, it will lose its right to do so in the future.

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BRIEFS

IMPORT FIGURES--The Central Bank has reported that Chilean imports during 1980 were the highest in history, reaching $1,219,000,000, and that 89.7 percent were for the private sector. The imports included machinery, tools, transport equipment and livestock. [PY122009 Santiago Chile Domestic Service in Spanish 1000 GMT 12 Feb 81 PY]

INDUSTRIAL DEVELOPMENT--The Industrial Development Association, SOFOFA, has reported that industrial production increased 4 percent and sales increased 4.7 percent during 1980. Sales were higher because of stock from the previous year. [Santiago Chile Domestic Service in Spanish 1000 GMT 12 Feb 81 PY]

1980 TRADE FIGURES--The Central Bank has reported that Chilean trade in 1980 totaled $10.6 billion, and that 48 percent of this trade total was with the United States, Japan, Brazil and the FRG. The Central Bank also reported that there was an increase in Chilean trade with countries of the Andean Pact. [PY171252 Santiago Chile Domestic Service in Spanish 1000 GMT 17 Feb 81 PY]

COPPER PRODUCTION--CODELCO [The Copper Corporation] has reported that Chilean copper production in 1980 totaled 1.62 million tons, which means that the national copper production increased by 1.1 percent. It reported moreover, that copper exports totaled 1.041 metric tons, which means that there was a 3.7 percent increase in copper exports in comparison with that of 1979 and that for the fifth consecutive year Chilean copper production has surpassed 1 million metric tons per year. [Santiago Chile Domestic Service in Spanish 1000 GMT 17 Feb 81 PY]

NEW COPPER MINE--COPEC Company experts have discovered a copper mine in Putaendo. The mine is located 30 km from the town of (Los Patos Malos), in the 5th region. [Santiago Chile Domestic Service in Spanish 1000 GMT 17 Feb 81 PY]

FISH EXPORTS--Fishing under secretary (Roberto Verdugo) has stated that Chile is now the leading fish exporter in South America. He reported that in 1980 the total catch amounted to 3 million tons, including sea food. Total exports amounted to $360 million. [PY221826 Santiago Chile Domestic Service in Spanish 2300 GMT 20 Feb 81 PY]

CSO: 3010

EFFECTS OF PRICES ON QUALITY, PRODUCTION, PROFITS EXPLAINED

Havana ECONOMIA Y DESARROLLO in Spanish Nov 79-Feb 80 pp 9-23

[Article by Laureano Leon, vice president of the State Price Committee and president of the National Association of Economists of Cuba: "Prices, Technical Development and Quality"]

[Excerpts] Among the most important functions performed by prices are those of stimulating an increase in production, increasing economic efficiency, technical development and quality.

A basic principle in the functioning of the system of economic self-management by enterprises, is the need they have to recover their costs and obtain a profit from the revenue forthcoming from the sale of their production or services. Compliance with this principle is accomplished by the establishment of prices; it is here that we find the first and most important aspect of the stimulating function of prices.

The struggle by the enterprises to cover their costs and make a profit through prices is of great importance for the economy. This practice leads to an increase in efficiency, stimulating the enterprise to seek to improve its profit indicators.

Conditions in our Country for Applying These Factors of Stimulation

In order for the function of stimulation to be fully implemented, it is necessary that the main function of prices exist first: The measurement of social costs used in material production and services. Prices, when they include these rational costs and the corresponding profits, are a monetary expression of their value and can be used as a management tool and affect the work of the enterprise.

This refers to the imperious need that there be an accountable and statistical base which will make it possible to establish an economic reference point for the prices of each product, thus making it possible to measure the costs incurred for producing them. Under present conditions prices do not match social costs nor are they formulated on economic bases. This being the case, prices will vary above and below their cost for no economic reason and any action adopted to stimulate the production of a new merchandise or raise the quality of one already existing through pricing will have very little effect on the interests of the enterprises.

On the other hand, the application of these mechanisms of stimulation require other technical complementations which are basically important fur guaranteeing the interests of society. We refer, for example, to the technical standardization of each product.

In matters of price, it is extremely important that its establishment conform with the detailed description of the product. In turn, this description has to be based on the standards provided to us by all the technical elements of each product, and it is also its legal specification.

Based on the technical definition and its price, the mechanisms which allow rewarding an enterprise which improves those parameters--from the technical efficiency point of view if it is a piece of equipment or the expansion of an assortment and its quality if it is a matter of consumer goods--can be put into practice.

The conditions for the full application of those instruments have not yet been established, but hard work is being done to create them and the situation will soon change.

As is already known, accounting practices have already been generalized, the regulations which standardize the recording of costs are being applied in all sectors and branches and statistical information is being processed with increasing quality. These factors make it possible to bring about a reform in wholesale prices in industry, product collection, construction and in the rates of productive technical services. While it is true that in the end prices cannot be considered scientifically based, they will undoubtedly have a very much higher quality than present prices and may play their role in the self-financing of enterprises. The creation of these conditions will allow us to work with more certainty in the stimulation of new technology and the improvement of quality.

The State Committee for Standardization [CEN] is also working on tasks related to the recompilation of technical documentation existing for each product and it is preparing such documentation where it does not exist. A very practical and objective concept is being used for this work as a first phase: To learn whatever exists with some technical foundation and to work steadfastedly to improve it.

It is a fact that we still lack the elements and experience for the massive application of the mechanisms of stimulation by means of prices to the scientific-technial development of new products. We must also submit the knowledge we have of the advances and lessons obtained by the socialist countries in this field to a constant testing under our objective conditions so as not to commit the error of transferring lessons without due evaluation.

New products are appearing in our country for which prices must be established, and the movement for the renewal and innovations in production is developing and expanding more and more. This forces us to establish standardization methods with more quality for the establishment of prices of new products and within these standards should be included those which make it possible to stimulate the productions which will contribute to the advance of technical progress.

Plans for the production of new articles are being prepared and implemented in all branches of industry, many of which, as a technical-material medium, will contribute to the development of other lines of production. However, the economic motivations to increase and improve these new products do not exist and this is a contradiction we must resolve. New conditions created by the establishment of enterprises and the implantation of the Economic Management and Planning System [SDPE], forces the search for ways of rewarding complementary efforts and expenditures which are linked to the recovery of production. It is through prices that we shall be able to pay for those costs and stimulate efforts monetarily.

On the other hand, a general nation-wide effort is taking place to produce the largest amount possible of products which have to be imported. We believe it is necessary to include these economic projections in prices, and through them discourage those imports which are not completely necessary and reward that national production which can replace foreign products efficiently.

The technique of price limits, with the adaptations pertinent to our circumstances, can be used with benefit in the establishment of new prices. This undoubtedly will contribute to significantly improving standardization methods now in existence.

Together with the general work underway for preparing and practicing methods for reforming wholesale prices, a process of explaining standardization methods, which must be included in the new instructions defining the creation of the prices of new products, is also underway. In these standardization methods, those which refer to the stimulation of technical development must occupy a prominent place.

Rewards for Increasing Quality

The tasks which must be accomplished so that the stimulation of quality increases may be put into practice and economically motivate the enterprises are much greater and more demanding that those which must be adopted to stimulate technical progress. Stimulation of quality by means of prices demands of them, as we said before, a better economic reference point. It also requires that each product have its standardization and technical description precisely and clearly established to guarantee a level of quality on the basis of which its increases can be projected and rewarded through prices.

It is no secret to anyone that there is a need to increase everything that will help to improve quality of production and services as much as possible. These are problems which primarily affect our population, harm the production of the branches which receive raw materials and equipment of poor quality and prevent the successful conclusion of efforts being made to increase exports.

Under present conditions, we have begun a work together with the preparation of the Economic Plan, which will help to learn and handle the requirements necessary for motivating an increase in quality. It is a matter of placing in operation some economic mechanisms that will contribute to improving quality of production. We believe that these first steps will allow an increase in awareness of the role played by prices in this important task.

In the work being done to effect the reform of wholesale and product collection prices, are included the fundamental measures that will allow prices to have direct influence in the factors which make up the quality of production. As a result of this work, every product will have a price which will be closer to the social costs and, therefore, will play a better role in the self-management of the enterprise. Moreover, it is foreseen that technical descriptions included in the lists will be the results of standardization, although we know that they will not yet have a scientific foundation.

These elements allow a forecast of favorable conditions, at least for this phase of work, which will make it possible for prices to function successfully in rewarding quality.

In the work of the reform itself, it is planned to introduce some measures that will allow us to establish the prices of several products with the elements that will contribute to the stimulation of quality. Among the products to which we refer is sugarcane. The price of sugarcane is now tied to its weight, without taking its saccharose content into consideration, something which basically determines its use value, in other words, its quality. Although all the tasks that will allow the creation of conditions for its application have not yet been concluded, we already know that it is possible to establish a basic saccharose content and establish a price per hundred arrobas; saccharose yields above this point could be rewarded. The sugarcane and sugar-producing enterprises, and very particularly, our economy, will be interested in the results of this work.

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FOOD SERVICE SPECIALISTS GRADUATED AS WARRANT OFFICERS

Havana VERDE OLIVO in Spanish 11 Jan 81 pp 56-57

[Article by Pablo Noa: "Graduation of Food Service Specialists; They Are Now Warrant Officers"]

[Text] The Ejercito Rebelde Food Service Polytechnical Institute of the city of Havana recently completed 20 years of activity in the education and training of technicians.

Thousands of young people have studied in this center, which has given a substantial contribution to the economic and productive development of our country.

Twentieth Anniversary Graduation

In the final days of the first 5-year period, the institute began a new phase of work, which consisted of training specialists with a high degree of skill for the Revolutionary Armed Forces [FAR].

Coinciding with the celebration of the 20th anniversary of its creation, the third graduation of young students took place in December. They will now serve in military units with the grade of warrant officer.

The order by the minister of the FAR graduating the members of the group as officers was read at the graduation ceremony, which took place at the institute parade ground. The document proclaims the awarding of the rank they later received.

Warrant Officer Jorge Luis Barroso, representing his comrades, read the oath of the graduates in a vibrant voice. In it is declared the willingness to be faithful in compliance with orders, tasks and missions assigned to them and to endeavor each day to be more useful in the posts they may be placed.

The student comrades with whom they shared many educational activities in the polytechnical institute, wished them good luck and success in their new responsibilities. This was expressed in a tribute read by Francisca Michel of the FEEM-UJC [Federation of Middle School Students-Federation of University Students] in the school.

"This graduation taking place today exemplifies the sustained and joint effort maintained by the leadership of the institute, the teaching staff and the personnel of the military sector in the technical-military education the students need to perform the new missions assigned by the State, Party and the FAR, successfully," said Col Miguel Bisbe in the closing speech of the ceremony.

"It is not by chance that this institute bears the name 'Ejercito Rebelde.' More than 20 years ago a group of young people entered it with the mission of becoming trained for work on the land. They were faithful representatives of the revolutionary youth of those days who had climbed Turquino Peak five times, who made up our first batteries of the CPDAD-30 [expansion unknown], who participated in many productive mobilizations and who were present at every moment of danger to the revolution."

Further on Colonel Bisbe stated that the most outstanding as a faithful example of the young men trained in the center of those times is Col Arnaldo Tamayo Mendez, today the first cosmonaut of Cuba and Latin America.

He pointed out the contribution made by the school during the 5-year period by graduating 1,237 students in various food service specialties, some of whom joined the FAR. He added:

"Taking the policy of the party and state to provide the armed forces with increasingly skilled personnel into consideration, the commitment assumed by the Institute for the present course is that of obtaining a 94-percent graduation and a 90-percent retention of students in classes. This will make it possible to increase the number of young technicians who will join units of the FAR."

When the ceremony ended, Brig Gen Carlos Rodes Moro, acting for the Minister of the FAR and commander of the rearguard, held a fraternal meeting with the graduates in which he talked to them about life in the units, the peculiarities of the tasks they will perform and about the importance of insuring the training and combat readiness of the troops.

Four Outstanding Students

The top student in the class, Bernardo Leyva Salazar, has felt very well in the institute. He believes the knowledge obtained to be of great value for his future development.

"Now, with my modest contribution I shall have the opportunity of contributing to maintaining and improving the levels attained by the FAR because of the specialty I know," he told us.

Leyva is a young man from Guantanamo, 18 years-of-age, who has just graduated as a social food service specialist.

Another graduate, Jorge Luis Barroso, gave his impressions on the course in the short talk we had with him.

"I have learned much in the institute. I personally believe that the linkage of educational work with practical activity in factories and production centers is good for the students.

"I have always liked the FAR," he added, "and now an old desire of mine has been satisfied. All they had to do was explain the need to provide the FAR with skilled personnel and my mind was made up."

Jorge Luis was born in Encrucijada, Las Villas Province 19 years ago. He is a member of the UJC [Union of Young Communists] and graduated as a specialist in canned fruits and vegetables.

"I was born in Santiago de Cuba," begins Warrant Officer Alejandro Nunez, "From the time I was little I wanted to belong to the armed forces. Once I was awarded a scholarship to the Naval Academy but for reasons beyond my control I could not go. That is why when I learned that an institute with these characteristics existed here, I did everything possible to study in it.

He continued: "It must be a high honor for every revolutionary youth to serve in the military units, to help with his knowledge to improve living and working conditions and with it, to help in the training for fighting victoriously against any aggressor."

Freddy Romero Gongora was outstanding because of his hard work and discipline during the 3 years of the course. He told us that he likes the specialty and he hopes to make his contribution with efficiency and quality in the missions assigned to him.

He said: "The military training classes are a great help for each graduate. In them we have learned the basic principles of life in the units, which will make our work easier from the beginning."

Freddy is from San Antonio de los Banos, Havana Province; he is 20 years-of-age and is a member of the UJC.

In the statements by these young men is exemplified the general state of mind of the group of specialists, who as part of the people prepare to perform the two basic tasks propounded by the commander in chief in the Second Party Congress: defense and production, with honor, hard work and courage.

8908
CSO: 3010

STATUS OF TERRORISM, POLITICS, ECONOMY, FUTURE PLANS

Paris LE MONDE in French 18-19 Jan 81 pp 1, 5

[Article by Special Correspondent Dominique Pouchin: "Guiana in Black and Gold"]

[Text] The elected members of the opposition in Martinique, Guadeloupe and Guiana have refused to participate in the conference which opened on Thursday, 15 January, whose purpose was to discuss the economic development of the three departments. Asked the reason for the refusal of a number of Guianan personalities to participate in its proceedings, Mr Dijoud had stated, on his arrival in Cayenne: "I am letting them go their way alone, a way which leads nowhere. As far as we are concerned, we are formulating the future of Guiana, of this department which is French and, as everyone knows, will definitively remain French."

A number of outrages have been committed in Guiana since the beginning of 1980. One of them was directed at the pleasure boats anchored in Zephir Beach, near Cayenne, on Friday, 16 January. Last July the investigation led to the detention of five independents who were arraigned by the State Security Court (LE MONDE, 27 December 1980).

Following is a description of the political situation in this department which seems to be endlessly oscillating between hope and rancor. The hope rests on a development always proclaimed for the future while the rancors are the results of the innumerable unkept promises.

Rancors and Hopes

Cayenne. In a single glance one can see the moon and the virgin forest: the shooting of a rocket and a canoe in the middle of the river. It would be ideal to show this bit of France in the Amazons on a Sunday in Pleyel Hall with an explorer-speaker showing a series of slides: "Guiana, Land of Contrasts" or "Europe Flying to Outer Space in the Country of the Crocodiles!" Everything here is food for myths and multicolored dreams: the Ariane rocket is seeking orbits for the satellites of old Europe, while the prefect, speaking in his harsh Corsican accent, is drinking a well-chilled bottle of champagne in the huts of an Indian village, far up the Maroni....

"It is here that the route of the French stops. Now this is the route of the Negroes." This puts an end to beatific dreams. The chaos is brutal and the awakening is just as sudden: this is a time suitable for judging the validity of one's

vague ideas. Our guide gently urges us on: "Cayenne-Kourou is almost a highway. However, beyond Ariane things worsen... One comes into Guiana." There is little conversation and the contrasts become very obvious. Guiana is all too familiar with these reversible cliches--black faces and gold piles--not to smile. "From forced labor to El Dorado, and from gold rushes to huge "green plans," this damned country has seen and heard everything, so...."

Actually, our driver proved to be gutsy, one evening last summer, when he stopped at Rochambaud, the Cayenne airport. He was returning to his country after almost 20 years of "exile." He had studied in Paris and graduated in agronomy in Romania, after which France had "lent its competence" to the Africans: 10 years of cooperation.

He had come back, convinced that the country needed people like him, at a time when speeches loudly called for agricultural development. He has been waiting ever since then, minus his illusions.

We stopped in Sinnamary: a river, a bridge, and a checkerboard of wooden houses. The municipal building and the post office are housed in a small concrete building. Several groups of loafing Haitians are listening to a transitor radio on the streetwalk in front of the coffee shop. The village has its Indonesians as well, the last witnesses of the "rich plan," which was still-born and which allowed them to open shops or restaurants. The mayor is sipping his sacrosanct vermouth with the deputy mayor. His speech is ready, polished like a litany at vespers: "We no longer wish to be the puppets of a prefect who runs everything. Everything being done here is being done without the Guianans or even against their interests. One plan follows another, reaching our desks all wrapped up even before anyone has consulted us." Etiquette does not matter. Here any self-respecting elected politician is against the officials. However, switching from a "div. g." the "mod. maj." , which the Ministry of the Interior had assigned to him in some cantonal elections, Elie Castor, by virtue of the same action, delivered Guiana to the leftists and, the same day, became president of the general council.

This was opportunism, his ex-friends charge. "Not at all," answers Mr Cantor. "After one year of experience with the majority, I explained to them that I was no longer in agreement, for they were always backing the administration. I told them that one had to expand and agree to discuss the departmental status. They refused and I left them."

In these latitudes, it is true, politics quite easily assumes the false climate of the Fourth Republic at its end. The presence in the center of the chessboard of a handful of independents whose convictions occasionally change has made and unmade for quite some time the majority in the departmental assembly. These "non-party people," found in equal numbers on each side, however, can no longer block a growing bipolarization. Guiana has taken the habit of sending to Paris a deputy from the RPR [Rally for the Republic], a firm supporter of the current status. However, locally it elects a number of autonomist socialists and even independists who, unquestionably, are considered more skillful in harassing the administration. Thus, Cayenne and Saint-Laurent-du-Maroni, the two main cities, are in the hands of the Guianan socialist party and the mayoral assembly is chaired by a leader of the Guianan Unity which openly calls for independence.

The Dreams of the Green Plan

The left is using the discontent which has followed too many speeches without actions, too many plans without followup, and too many unkept promises.... All it has to do today is to recall the noisy speeches of Olivier Stirn who, having discovered the green El Dorado, shouted loudly and strongly that "The hour of the last redemption" was finally about to strike in Guiana. All it has to do as well is to recall the offices which opened in Paris to block the mobilization of the voluntary pioneers who had caught the green fever. Suffice it to add that Paul Dijoud himself, appointed secretary of state for overseas departments and territories, had hastily to put a damper by calling with an unexpected modesty, "for going bevond illusory dreams." Filed within a less generous budget than the fanciful speeches, the "green plan" finally triggered more rancor than hope despite its unquestionable accomplishments.

Even some most moderate people do not conceal their bitterness. "The best plans of the authorities are blocked by service chiefs who have preserved their colonial mentality," indignantly said Jean-Claude Montgenie, the regional leader of the newly developing UDF [French Democratic Union]. "Such attitudes, which are the sequels of the past, can only trigger occasionally racist reflexes and reactions which the left hastily puts to its own use." "Some officials are totally indifferent to the political implications of their actions," adds Claude Ho A Chuck, former president of the General Council. "Today we are paying for their mistakes. The Guianans did not see the implementation of the plan, harassed by bonus hunters who skimmed the bulk of the subsidies and the loans. A discontent developed in rural circles and the General Council switched to the opposition."

However, believing in the "just inspirations and real intentions" of the president of the republic, and convinced that the embryos of economic development are already pushing back the idea of independence, these Giscardians are today preaching a relaxed attitude. Even though still supporting the departmental status, they would like it amended so that the Guianans may assume greater control over their lives and so that an end be put to a policy of the "food pension."

They want to take over the various nuances, not realizing that this will remain a mine field as long as no clear consensus on the status has been reached," counters Paulin Brune, the young federal secretary of the RPR. The Gaullists, strong because of older and more popular development, condescendingly look at the efforts which their Giscardian rivals are making to gain a certain amount of influence. Personally, they have accepted a bipolarization which they consider inevitable. "One cannot discuss with those who would like to be outside the departmental framework," Brune explains. "In our case the discussion is ended and question is resolved. The people are now quite aware of the danger of indep and of autonomy, which is its most hypocritical form. No point in insistence, it has been acquired."

The RPR leadership, however, are cautious "not to see everything through rose-tinted glasses." However, the discussion on the "necessary reforms," to hear them speak, seems to apply only to themselves and to the authorities. In their view, there is no danger whatever in seeing the "enemies of France" garner discontent. "The left," according to Brune, "is strong only because of its inconsequential nature.

Those who vote for it do not take its ideas seriously. They would hardly exceed 10 percent of the vote." "The Socialist Party is dying," he adds. "It is dying because of lack of cadres and doctrine. It is clutching onto the Cayenne municipality with no further ambitions."

The left, which is in the majority in the General Council through the single deciding vote of the president, seems, it is true, less firmly settled than is claimed by some of its leaders. Weakened by the disappearance in 1978 of Leopold Heder, the former mayor of Cayenne, who personalized "excessively," as his successors say, Guianan socialism, the socialist party was further affected by the withdrawal of active members who are today rallied around the Guianan Unity. Without a real "chief" and strong above all in the municipalities, nevertheless, it remains an essential pivot around which political life turns.

A certain collegial approach has been developed at the top and the more democratic debate has made it possible to define the party's options. Even though organically separated from its French counterpart, without abandoning the thesis of eventual independence, the Guianan Socialist Party is supporting the major guidelines of the motion submitted to the National Assembly by Mitterrand and Defferre. According to this motion, a true management autonomy should be granted to overseas departments and territories. "The party is changing in accordance with the aspirations of the people." "We are here to reflect such changes," explains Holder, the mayor of Cayenne. "The majority of the people have not as yet been won over to independence, for they do not see its eventual completion. It is up to us to work for the development of our country so that it may become emancipated."

It is this kind of speech which has been rejected by the most radical members. Weary, they say, of so much "opportunism," 2 years ago they organized the "Guianan Unity." However, this new attempt to create an independist Marxist-oriented organization, which followed several stereoprecedents, clearly did not meet with the expected response. In a partial cantonal election, the Guianan Socialist PartyGuianan Union[2]Electoral Confrontation turned out clearly to the advantage of the socialists.

"One goes on voting for the left almost as a habit," a trade union leader claims. "However, there are no illusions. The parties are part of the system. Their speeches are merely a question of acquiring customers: more butter here or more sugar there. Actually, they do not do much. The nationalist movement is ebbing, at least on the organizational level."

Could it be that this ebb, sometimes strongly resented by the most hardened militants, have already led some isolated individuals into the uncertain adventure of engaging in a "direct action?" It is true that young people, having given up the search for an answer to too much resentment elsewhere, and seeing the consequences of an assimilation which, in their eyes, is "so total that it has deprived the people of their own identity" are dreaming aloud of a seizure "at the point of a gun." Is this merely a slightly worn out speech? Last spring bombs were discovered behind the wall of a former police station in Cayenne. In July five activists known for their independist involvement were detained.

The file still seems rather thin but, after the emotion has worn out, one seems to have tried locally to mobilize the scattered energy in support of the defendants who have pleaded innocent. "Nothing strange in this," claims Paulin Brune. "Why try to promote here the message of independence? We are an undeveloped country...inhabited by people who are not underdeveloped. Where else would you find a Third World country which has offered itself the luxury of setting up....a consumers' association? That is the miracle which our status gives us!"

FOOTNOTES

1. "Various leftists" and "moderates favoring the majority."

2. On 29 June 1980, in southeastern Cayenne, Catayee (Guianan Socialist Party) and Lecante (Guianan Unity) had respectively garnered 57.68 percent and 14.31 percent of the votes cast (LE MONDE, 1 July 1980).

5157
CSO: 3100

TEXT OF PPP STATEMENT OF CENTRAL COMMITTEE MEETING

Georgetown MIRROR in English 11 Jan 81 p 1

[Text] The Central Committee of the People's Progressive Party at its first post-elections Plenary Sessions held on January 3, 1981 has decidedly opted to step up mass agitation at home on all fronts, to intensify the isolation of the Burnham regime internationally, and to pursue unswervingly the Party's commitment to the strategic objective of a National Patriotic Front Government for Guyana.

The following is the full text of a press statement issued by the PPP on the outcome of the Central Committee deliberations:--

"The Central Committee of the People's Progressive Party met on January 3, 1981 and made a comprehensive analysis of the new political and economic situation that has arisen following the fraudulent December 15, 1980 presidential, general and regional elections in Guyana.

"The Central Committee endorsed the view already expressed by General Secretary Cheddi Jagan at a press conference, that the PPP won the elections by landslide majorities but that a virtual army coup restored the bankrupt and unpopular PNC to office against the wishes of the people.

"It was the considered view of the Central Committee that the army's misguided role on the side of the oppressors is a serious obstacle to the political and economic emancipation of the toiling Guyanese masses.

"In reviewing the economy, the CC concluded that commensurate with disasters in the productive sectors, enormous pressures will be turned on in 1981 in keeping with further IMF dikat. It noted that for 1980 the regime has again failed to meet IMF and production targets. In fact, when the figures are finally totted up, there would be zero growth again in 1980.

"This can only suggest that the regime will impose steep rises in electricity rates, retail prices, commuting fares, central government taxes, and municipal taxes. There will be furher cuts in social services an' indirect subsidies. [as published]

"Looking at the deplorable electricity services, the PPP Central Committee noted with shock the official statement that the Guyana Electricity Corporation will make $27 million in losses in 1980, when only a few weeks before, GEC losses were

placed at $19 million. It is a shame that the blighted PNC has converted a viable concern which the electricity corporation was during the PPP government, into a financial liability.

"From all appearances, the regime will again attempt to solve the deepening crisis at the expense of the masses, which will only help to intensify resistance and defiance.

"On the question of elections, the Central Committee concluded that the PPP was correct in putting up candidates as this (rather than a barren boycott) provided: 1) the International Observer Team with the necessary first-hand experience for a comprehensive condemnation of the poll results; and 2) the magnificent Vote of Confidence the PPP received from the masses, of all races in urban and rural areas.

"In Georgetown where admittedly there was a low turnout, as there was in Linden and New Amsterdam, the rejection of the hated PNC was clear. However, the Central Committee concluded that because of the unpopularity of the PNC and the no-contest decision of certain political groups, a seizable portion of those who voted in the urban centres, cast ballots for the PPP. [as published]

"The CC observed that the PNC is now faced with frightful convulsions of internal wrangling and power struggle, hence the moves to dispense more patronage as a means of appeasement. These moves were apparent in the PNC's appointment of five vice-presidents, and 31 Ministers including 16 Technocrats, as well as sinecure appointments of ex-ministers.

"The Central Committee, taking note that the international community is now more apprised of the fraudulent nature of the PNC regime, re-affirmed as the duty of the PPP to step up mass agitation at home on all fronts and to intensify this isolation of the regime internationally. It also re-affirmed its unswerving commitment to the strategic objective of left unity and a National Patriotic Front Government for Guyana which will reflect the mass popular strength of its various components.

"The Central Committee, after reviewing the international situation, unanimously approved a resolution extending solidarity to the battling masses of El Salvador against the Christian-Democratic fascist regime in that country. The role of US imperialism which supports the genocidal El Salvadorian dictatorship was sternly condemned."

CSO: 3025

POLICE BREAK UP U.S.-NOTE COUNTERFEITING RING

Georgetown GUYANA CHRONICLE in English 10 Jan 81 p 16

[Text] The East Coast Police have broken a counterfeiting ring, dealing in forged United States currency notes a top police officer has said. And yesterday three persons appeared before Magistrate Krishna Veni Chinta, charged with being in possession of such notes.

The men, Colin Slater, Rabindranauth Kowlessar and Michael Dundas, were held while the police were carrying out a campaign on the East Coast, Demerara, during the pre-election period.

They were held at a roadblock at Betorverwagting when police searched their motor vehicles.

Salter and Kowlessar, of 1 and 2 Vlissengen Road, Georgetown, were held on December 10, 1980 and charged with being in possession of ten forged currency notes--four $100 bills, four $20 bills and two $10 bills--purporting to be issued by the Government of the United States, knowing the same to be forged.

They were each placed on $5,000 bail, while Dundas, of 34 Public Road, Kitty, is charged with being in possession of 90 forged currency notes, 40 of them being $100 bills, and 50 being $50 bills, purporting to be issued by the United States Government, knowing the same to be forged.

Dundas was also placed on $5,000 bail, and they will all report back to the Sparendaam Magistrate's Court on January 16.

Meanwhile, a report reaching the CHRONICLE said that a man who bought $7,000 worth of United States money from a man in Water Street, Georgetown, outside the Royal Bank of Canada, discovered that the bills were all forged.

And in another case, a man took $3,000 (G) from another man, and told him that he was an employee of the C yana National Trading Corporation, and would give him the equivalent in United States dollars.

The man used another door to leave the building while the person who was fleeced waited in vain for his return.

CSO: 3025

DAIRY, BEEF PRODUCTION GAINS PLANNED FOR 1981

Expansion Plans

Georgetown GUYANA CHRONICLE in English 10 Jan 81 p 9

[Text] The Livestock Industries Development Company (LIDCO), produced 125,763 gallons of milk and 611,804 pounds of beef last year. The Company proposes to produce this year 163,920 gallons of milk and 774,408 pounds of beef.

LIDCO's managing director Noel Holder, said that the company processed 611,803 gallons of milk at its pasteurisation plant which utilises milk from both the Company's ranches and private farmers.

He said that LIDCO which manages the Georgetown Milk Plant and seven dairy and beef enterprises in various parts of the country performed satisfactorily in 1980.

The managing director who was at the time reviewing LIDCO's performance, said that despite serious limitations imposed by a number of factors, including a shortage of spare parts and equipment; a shortage of cartons and an unreliable electricity supply, the company was able to perform creditably.

/LIDCO alone he said cannot produce sufficient milk and beef to meet the national demands but undoubtedly its successes will serve to give confidence to other livestock producers./ [in boldface]

/It should also stimulate the industry by facilitating the expansion of existing farms and attract new investors, Cde Holder said./ [in boldface]

The national diary industry is expected to expand rapidly and LIDCO will initiate research into the local production of several dairy products including butter and cheese, he said.

These products will not be produced during this year, the managing director said.

Cde Holder said that in an effort to play a greater role within the livestock sector, LIDCO plans to work closely with farmers and organisations such as the Ministry of Agriculture and the Guyana Agricultural and Industrial Development Bank.'

/LIDCO has been supplying farmers with beef and dairy breeding bulls and this year efforts are being made to assist cattle farmers in making quantitative as well as qualitative improvements, he said./ [in boldface]

LIDCO, conscious of its leadership role as a producer and its obligations to consumers, will be working to satisfy the aspirations on both sides," the director said. [as published]

Dairy Imports

Georgetown SUNDAY CHRONICLE in English 11 Jan 81 p 3

[Text] /Guyana imported a total of nine million gallons of milk ingredients to the tune of more than $30 million to meet its national demands last year. But should the country produce 24,000 gallons of milk daily there will be no need to import any./ [in boldface]

/Livestock Industries Development Company (LIDCO) Managing Director, Noel Holder disclosed that Guyana has an estimated 200,000 head of cattle./ [in boldface]

He contended that should farmers milk their cows in the morning and allow calves to nurse during the rest of the day, then tie them at nights, each cow is guaranteed to supply four pints of milk daily.

The Director pointed out that LIDCO's Kingston operations, working at full capacity could produce a little over 1.5 million gallons yearly, approximating 4,500 gallons daily.

/Cde Holder said that in order for the company to produce cheese and butter a total of 33,000 gallons of milk was required and this could be had should farmers adhere to the recommended system of milking./ [in boldface]

The Food and Agriculture Organisation, (FAO) Inter-American Development Bank, (IDB) European Economic Community, (EEC) World Health Organisation (WHO), USAID, the New Zealand Government and the Danish International Development Agency (DANIDA) are making relative contributions towards the implementation of a new plant and other dairy aspects, the director said.

Meanwhile, it is envisaged that Guyana could have a tremendous beef cattle industry to meet national demands and for export. After the 12-year period which is the average milk life of a dairy cow, the animal is culled for beef consumption.

Bulls after two years could also be used for beef consumption.

/Cde Holder said that the Moblissa Ranch produced 17,000 pounds of beef last year and with LIDCO's intention to tap all the cattle farms in the country, its 1981 programme would succeed./ [in boldface]

CSO: 3025

SCOPE OF CANADIAN AID OUTLINED AT CARICOM MEETING

Upcoming Increases

Bridgetown SUNDAY ADVOCATE-NEWS in English 18 Jan 81 p 3

[Text] Kingston, Jamaica, Saturday, (CANA)--Canadian Secretary of State for External Affairs, Mark MacGuigan has told Jamaican Prime Ministers, Edward Seaga that Canada will provide at least $3 million in additional bilateral assistance to Jamaica in 1981.

This will be in addiditon to nearly $7 million in regular Canadian bilateral development assistance in 1980-81. [as published]

Dr. MacGuigan, now visiting Jamaica, also told Mr. Seaga that Canada will increase its regular programme of bilateral development assistance to $8 million in 1981-82.

He said Canadian International Development Agency (CIDA) officials would discuss a second $10 million development line of credit for agricultural sector, with most of the disbursements in 1981-83, and would send a major planning mission to Jamaica next month to develop a longer term development assistance programme.

This latter programme would be consistent with the economic recovery programme being discussed with the International Monetary Fund (IMF), and the priorities established by the Jamaican Government, he said.

Dr. MacGuigan also told the Jamaican Prime Ministers that under CIDA'a Industrial Cooperation Porgramme $247 000 had been allocated to the Canadian Energy Development Systems International (CEDSI) to collaborate with the Jamaican Mining Ministry for planning the development of small-scale hydro-electric units for rural communities.

The additional $3 million of economic assistance is to help Jamaica purchase essential imports of food and commodities.

Dr. MacGuigan said that Canada would also consider providing emergency bilateral balance-of-payments support to Jamaica when the discussions between the Government of Jamaica and the IMF are satisfactorily completed.

The additional bilateral assistance will be in the form of a concessional loan by CIDA to Jamaica to buy essential imports over the next three to six months.

Current bilateral development assistance from Canada comprises 22 approved projects in various states of implementation, including a $10 million development line of credit, a $4 million commodity line of credit and a variety of technical and capital assistance projects.

Further Specifics

Kingston THE DAILY GLEANER in English 19 Jan 81 p 2

[Text] Canada is to give Jamaica $3 million to buy essential food and commodities abroad for the next six months.

Secretary of State for Canadian External Affairs, Dr. Mack MacGuigan, told this to Prime Ministers, the Hon. Edward Seaga, at the meeting at Jamaica House on Friday.

This would be in addition to the $7-million regular Canadian aid to Jamaica for 1980-81 under a bilateral development assistance programme.

A release from the Canadian High Commission further said that Dr. MacGuigan also indicated to Mr. Seaga that:

Canada intends to increase its regular programmed bilateral development assistance to $8-million in 1981-82.

Canadian International Development Agency (CIDA) officials would discuss a second $10-million development line of credit for the agricultural sector with a major portion of disbursements in 1981-82 and 1982-83.

Mission

CIDA would send a major planning mission to Jamaica next month to develop a longer term development assistance consistent with the economic recovery programme being discussed with the International Monetary Fund (IMF) and the priorities established by the Government of Jamaica.

Under CIDA's industrial co-operation programme $247,000 has been allocated to a Canadian firm CEDSI Inc. (Canadian Energy Development Systems Internation) to collaborate with the Jamaican Ministry of Mining and Energy to plan the development of small scale hydroelectric units for rural communities. This project will also contribute to the establishment of a programme of energy self-sufficiency and energy development for agricultural production and rural development of Jamaica.

The additional economic assistance of at least $3-million is to help Jamaica purchase essential imports of food and commodities.

Dr. MacGuigan said that Canada would also consider providing emergency bilateral balance of payments support to Jamaica when the discussions between the government of Jamaica and the IMF are satisfactorily completed.

The additional bilateral assistance will be provided in the form of a concessional loan by CIDA to Jamaica for the purchase of essential imports within the next three to six months.

The specific level of additional assistance, terms of the loan and type of food and/or commodities to be provided are being discussed by CIDA officials and Canadian High Commissioln representatives in Kingston with the Jamaican Government. [as published]

CSO: 3025

INTERNATIONAL LOANS WILL HELP RAISE GLASS OUTPUT

Kingston THE DAILY GLEANER in English 19 Jan 81 pp 1, 13

[Excerpt] A $12-million expansion is being done by West Indies Glass Company, to modernize its glass-container plant and improve the quality of its products, with the overall aim of doubling its production.

Two international institutions are providing money to fund the programme, which is to start immediately and is anticipated to take approximately two years to complete. It will be one of the largest private-sector investments to take place in Jamaica in recent years.

Loans of $2 million each are being provided by the International Finance Corporation (I.F.C.), an affiliate of the World Bank; and by the Netherlands Finance Company for Developing Countries (F.M.O.).

These loans are part of a financial package being put together for the expansion programme. Another $6-million is to be raised by a new equity issue to be put on the local money market by the company.

A sum of $1 million from the Jamaican Government, which has a financial interest in the company through the Jamaica Development Bank, and other capital injection to be raised in the island will complete the financial plan.

One of the largest glass-container manufacturers in the United Kingdom, the Rockware Group, will participate in the new equity issue. The British firm will also provide assistance to West Indies Glass in carrying out the expansion programme and in technical operations.

Under the programme, the annual production of West Indies Glass will be doubled--from 13,000 to 26,000 metric tons. Its products include glass bottles as well as plastic containers made by a wholly-mined subsidiary, Plastic Containers Ltd.

A statement by the company, announcing the expansion programme, said: "The increased production will help mitigate the necessity to import glassware to alleviate shortages, and is essential for the export-oriented food and beverage industry of Jamaica.

"Due to the use of local raw materials, the reduction in the imports of glass containers and the increased level of imports, the project is eventually expected to generate $10-million a year in foreign exchange benefits for the country".

CSO: 3025

FALTERING CITRUS INDUSTRY GIVEN GOVERNMENT ASSISTANCE

Kingston THE DAILY GLEANER in English 21 Jan 81 p 1

[Text] New financial assistance to the citrus industry was announced by the Government yesterday.

The Citrus Growers' Association is to get $163,000 to assist it in paying farmers a pre-crop price for ortaniques of $10.50 per box; and $85,000 as a subsidy for private nurserymen who produce planting materials, in addition to guaranteeing a loan for $7.8 million, already announced.

These initiatives were announced by the Minister of Agriculture, Dr. Percy Broderick yesterday at the annual general meeting of the Citrus Growers' Association, held at the George Lisle Educational Centre in Kingston.

Dr. Broderick said the processing arm of the citrus industry had accumulated a severe debt burden over the years. Sinking fund and interest charges were now approaching $1 million per year.

He said that when he came to office he found the industry with a debt of $5.2 million, "and creditors were breathing down your neck." It was found in addition, that $2.6 million was needed to finance the current crop.

Therefore, he said, the $7.8 million Government-guaranteed loan was to enable the organization to have a breathing space, while it sought to put its affairs in order.

"You will have to find ways and means of returning your industry to a position where it can stand on its own legs," he declared.

Dr. Broderick said the farmers had to realize that the factory belonged to them, and "as businessmen they will have to take the bitter with the sweet. Tough buisness decisions have to be taken if indeed it is the intention to run a successful processing company," he advised. [as published]

He said that while the Government would do its part in assisting the industry, the administration had no intention of continuing to pick up the cost of inefficiency.

Referring to a proposal to expand the manufacturing capabilities of the Bog Walk plant, Dr. Broderick said the Ministry of Agriculture had requested the Jamaica

National Investment Company to prepare a management appraisal of the project, and a feasibility study of it was being prepared by a private consulting firm.

Turning to research, Dr. Broderick said the priorities would be: production of disease-free planting materials; survey and monitoring investigations on the extent and severity of virus disease; research on root stocks; top-working on derelict groves; extent or severity of citrus nematodes, fiddler beetle control; and intercropping.

Other areas of priority consideration, he said, were improvements in extension services, attention to pradeial larceny and transport.

CSO: 3025

BRIEFS

M16'S FOR POLICE--M16 assault rifles have been imported by the Police Force to assist in its anti-crime fighting operations. "More of such type weapons will be imported if the situation warrants it," Police Commissioner Wilbert Bowes told the GLEANER yesterday. Mr. Bowes declined to give information on the size of the shipment of M16 rifles which arrived here about a fortnight ago. A programme is now underway within the Force to train policemen to use and care the M16s. [as published] During the violence of the election campaign last year, policemen, armed with .303 rifles often had to call for reinforcements when they were attacked by terrorists with M16s and auto-loading shotguns. Toward the end of the campaign a few policemen were seen with British-made SLRs (self-loading rifles). The security forces have recovered some 50 M16 rifles from criminal hands since October. [Text] [Kingston THE DAILY GLEANER in English 20 Jan 81 p 1]

CSO: 3025

BND PRESIDENT, COMMANDER TIRADO DISCUSS NATIONAL ISSUES

Managua EL NUEVO DIARIO in Spanish 28 Dec 80 p. 1, 10

[Text] National Development Bank (BND) personnel held yesterday, Saturday, at noon, a commemorative assembly to observe the sixth anniversary of the assault on Chema Castillo's home. The meeting was presided over by its president, Comrade Fernando Guzman, and Commander of the Revolution Victor Tirado Lopez. Attending as a special guest was engineer Xavier Chamorro Cardenal, editor of EL NUEVO DIARIO.

In addition to a political event which reviewed the qualitative and quantitative stride which the guerrilla action of the Sandinist Front represented, the meeting also heard an analysis by Commander Tirado Lopez of our nation's reality as an example of true democracy, in spite of the constantly diversionary attitudes of COSEP [Higher Council of Private Enterprises], of the rightist parties and of the newspaper LA PRENSA.

For his part, the president of BND presented to the personnel a comprehensive report on the institution's economic situation, with its achievements and failures, "which must be analyzed by everyone, since collective responsibility is part of the Sandinist democracy."

The assembly opened with the singing of the National Anthem, followed by a speech by a comrade director from UNE [National Employees Union] of the BND, who analyzed the significance of the battle of 27 December 1974, its repercussions and the commitment which all BND employees should have to defend the revolution which cost so many lives.

"It becomes necessary that we all organize ourselves around the priority tasks of the revolution; that in 1981 we double or quadruple the Sandinist Popular Militias; that we organize ourselves in UNE; that women join together in the AMNLAE [Association of Nicaraguan Women Luisa Amanda Espinoza]; and that we all concern ourselves with improvement in every sense of the word," affirmed the young leader of the BND workers.

Rebuilding the Economy

Commander of the Revolution Victor Tirado Lopez then evaluated the historic significance of the operation carried out by the "Juan Jose Quezada" command,

which "was an action that took FSLN out of anonimity, out of a darkness and out of a silence that had lasted almost 4 years, representing also the first great victory of Sandinism over the Somoza dictatorship, which at that time seemed invincible," said Commander Tirado Lopez.

"The main problem in this country continues to be economic, and as long as the economy is not rebuilt, the major social problems will not be solved: health, underemployment, poverty, housing, and all the evils inherited from Somozism," he said.

He contrasted the authentic democracy and the pluralism being experienced in Nicaragua with that practiced in the so-called "Temple of Democracy." "Nicaragua is one of the few countries in the world where minorities are represented in a legislative organ such as the Council of State, where the left, the right, popular, cultural, religious and social organizations have a voice and a vote."

In the United States, only two large parties have access to power. Minorities are not seen in the House of Representatives and the Senate, and thus we find that there are no Blacks, Chicanos, Puerto Ricans or much less leftists.

The Elections

"We are a revolutionary democracy, legitimized by an armed people. In 1985 we are going to confirm that legitimacy in the elections, and whenever it is necessary, we will renew the mandate," affirmed Commander Tirado Lopez, speaking on behalf of the National Directorate of the FSLN.

He also referred to the rightist parties, to COSEP, and to the newspaper LA PRENSA, which lately have been giving awards for good democratic conduct and have determined that there is no democracy here because there are no elections. "To them, democracy begins and ends with elections. They reduce democracy to elections, whereas ours is broader, much broader, and within it, of course, elections are included," said Tirado Lopez.

Reagan

He asked rhetorically what awaited us in 1981, and the answer was great difficulties, if the Reagan administration fulfills its program of antagonizing Nicaragua. Credits can be blocked in some international organizations and that, of course, could be an obstacle to many economic plans.

Large Scale Invasion

He ended by insisting that the counterrevolutionary groups that operate from Honduras, supported by the most reactionary forces of that country, will continue their harassment and that it is even possible that they may carry out a large-scale invasion.

The Coast Becomes BND Priority

To end the ceremonies, Comrade Fernando Guzman, president of the BND, offered some surprising data on the increase in the number of new agencies for credit, and especially on the creation of 10 more on the Atlantic coast. The Atlantic coast will become a priority area in 1981, since the BND has created a division of rural credit to meet the needs of that department, in conjunction with INRA [National Institute of Agrarian Reform], and the Ministry of the Atlantic Coast.

Credits to large, small and medium-sized producers in 1980 had reached 3 billion cordobas in November, whereas in 1979 they totaled 950. Commercial loans reached 1.23 billion cordobas, but over 1 billion were absorbed by the Ministry of Foreign Trade and by ENABAS [National Staple Food Enterprise].

Rural credit, strictly speaking, was five times as large in 1980 than it was in 1979, having assisted over 63,000 families, or 300,000 persons.

He presented data on deposits, which grew from 955.7 million in November 1979 to 1.73 billion in November 1980, having registered an increase of 81 percent. Comrade Guzman offered other data on credits granted by the organization, and the need to further the recovery systems in order to follow the guidelines established by the vanguard of the FSLN regarding attention to all economic sectors of the nation, thereby performing the functions of a real National Development Bank.

9756
CSO: 3010

SOVIET ROLE BEHIND CUBA-GUYANA PACT DISCUSSED

Caracas RESUMEN in Spanish 8 Feb 81 pp 14-15

[Commentary by Hermann Gonzalez Oropeza, S.J.: "What Lies Behind the Cuban-Guyanese Pact?"]

[Text] I refrain from the calm, refined and thoughtful discussion by the Venezuelan Foreign Ministry of the exact meaning of the Cuban-Guyanese joint communique. The Foreign Ministry is required to act and express itself in that manner. But this writer grieves for the Essequiba [referring to the Essequiba area of Guyana] Venezuela with studied intensity. The facts must be analyzed in all their bareness.

The brutal, significant fact is that Cuba, aware of the Venezuelan claim, has turned its back on us and has asserted its commitment to guarantee the "territorial integrity" of Guyana. Cuba has said that it does not care about Venezuela, even though it is an Hispanic country like itself; because it cares more about its role in the Muscovite-Marxist strategy of the Caribbean. We could interpret this Cuban stand against Venezuela as personal, crude revenge against President Luis Herrera. In this instance, we would have another example of Fidel's personalism, regulated by the degree of his incidental irascibility. We all know how, on the occasion of the Conference of Nonalined Nations held in Havana in September 1979, he caused Prime Minister Burnham of Guyana to suffer unpleasant, critical treatment, if not disdain and repudiation.

But this hypothesis assumes and means that Fidel is requiting Venezuela for his anti-Herrera phobias. Hence, we may perhaps have to seek the explanation for this declaration beyond that. The most immediate explanation would be the much vaunted vengeance of Fidel, because the "Venezuelan Government" has not jailed the men that he (Castro) has decided are to blame for the explosion of the Cuban airplane leaving Barbados in 1977. This supposition puts us in a muddle that has ceased to be American. Everyone knows, although some would not say so, that on the flight, besides the Cubans, there was a group of Soviet spies returning from Africa. However, this abominable incident of blowing up an airplane in flight with innocent people aboard is another act of war between spies, to which Europe is accustomed. What was unusual was taking it to America. The fact is that the ones who committed it are not the ones chiefly to blame. Fidel knows that this is so, and that, therefore, the accused, even if there participation were proven, cannot and should not be the object of revenge, much less rulers who had no part or parcel in those incidents. Understandably, Fidel must, if he so desires, vent his wrath and vengeance on others.

But Venezuela is not to blame. Then why act cruelly toward Venezuela? Why descend on our country and its legitimate aspirations to resolve a colonialist heritage? If Fidel wants to be logical, he should back Venezuela so as to restore to it what was robbed of it in the British colonial past, just as he wants Guantanamo restored to him.

For this reason, we believe that ulterior motives must be sought. For this purpose, it is worthwhile recalling a few incidents from the recent history of Guyana. Burnham came to power with the economic, diplomatic and political backing of the United States. Burnham was abhorred by the international left, and especially by Fidel, during his first years of government.

Cuba's rapprochement with Guyana occurred gradually, with the establishment of relations in 1972, followed by Fidel's visit to Georgetown in September 1973; and, subsequently, it finally opened an embassy in the Guyanese capital.

Nevertheless, in any event there was an intervening division. Cheddi Jagan was the undisputed head of the Guyanese Communist Party (PPP [People's Progressive Party]), and Fidel's sympathies were committed to him, and by no means to Burnham. Furthermore, the news media of the "left " unanimously condemned the Burnham government, and its "cynical pragmatism, because he had reduced the results of the 1968 and 1973 general elections to an incredible extent." He was accused of "the same corrupt determination that underlies every electoral tactic," just as it did Nixon's Watergate.

Between 1973 and 1976, Jagan and the Marxists were opposed to Burnham; but everything began to change. Burnham was decorated by Fidel in April 1975, and by May 1976 the timely Russian wheedling and pressure worked the miracle. Jagan and his party, that had decided in 1973 to remain absent from Parliament so as not to whitewash the "electoral fraud" and not to absorb Burnham's "armed, persecuting treachery," decided to forget their protests and return to Parliament (May 1976).

Carl Blackman, as the Guyanese Government's spokesman, justified the embrace of reconciliation, claiming: "The two countries willing to help Guyana were Russia and Cuba, but the heads of state of both were more friendly with Jagan than with Burnham."

The excuse used was an alleged, phantasmagoric threat against Guyana on the part of Brazil or Venezuela. But what was behind it appeared quite soon. The Soviet Union needed Guyanese soil for the Russian aircraft that would transport Cuban troops to Angola. Of course the leaders of the front organizations soon played their role. The so-called peace movements duly attested to the alleged threat from the bordering countries against "socialist" Guyana. First in Athens (May), and later in Bogota (June) during that year of 1976, there were outcries of the fantastic hypothesis of "invading Venezuela" in close association with powerful Brazil, with the American CIA and State Department behind it, of course. It was an entire maneuver to conceal the reality of the true Soviet operational invasion of Angola. Those who did not realize it then cannot help but admit it today.

Less than 6 months ago, Burnham was again a "revolutionary hypocrite" to the self-styled "left." Furthermore, he was condemned without hesitation, with the charge

of having assassinated the charismatic, brilliant Marxist intellectual, Walter Rodney. That Burnham government was accused of collusion with the CIA in the utilization of illegal repressive resources against the opposition parties, such as being the beneficiary of an avalanche of Yankee dollars to arrange his electoral victory. In the December elections, Burnham was still a corrupt individual, regarded as reprehensible by Fidel. Only a change had taken place. Jagan's initial desire not to participate in elections that were known to be fraudulent was changed in a timely manner by instructions from Moscow. It was necessary to their joint interests to have a Guyana in which Jagan would have a place in the government and would lend backing to the regime.

The Cuban-Guyanese declaration is beginning to disclose what lies behind it. At the moment, we must ask ourselves, what is the underlying objective of the Soviet Union's action? What is the plan, of larger scope, within which it is moving its peons? One thing is, indeed, clear: the immediate objective entails the sacrifice of Venezuela. The planners, particularly the military, must know where the island of Grenada is located. They must also know that a submarine base is being constructed there. They must be informed of the presence of Soviet technicians to run it.

In view of this situation, the Venezuelan politicians should realize that their internal quarrels must be relegated to a secondary level. The Venezuelan politicians are dutybound to think first of the country, of the Venezuela of everyone, threatened by foreign invading action.

I take the liberty of urging them to reflect deeply on the problem, which goes beyond their partisan advantages. I take the liberty of suggesting to them a search for realistic solutions, that are not of the complacent "laissez-faire" type, nor in the category of complacent approval of Fidel's whims or threats.

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